CONFIDENTIAL

Form 3160-3
(August 2007)

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: U-5217

6. If Indian, Allotee or Tribe Name: N/A

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.: N/A

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☑ Multiple Zone

8. Lease Name and Well No.: Thurston 7-9-9-24

2. Name of Operator: Thurston Energy Operating Company

9. API Well No.: 43-047-40625

3a. Address: 4925 Greenville Ave, Suite 900, Dallas, TX 75206

3b. Phone No. *(include area code)*: (323) 251-8819 and (435) 789-0968

10. Field and Pool, or Exploratory: ~~Wildcat~~ Devil's Playground 575

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface: 2056' FNL & 2061' FEL SWNE 652144X 40.051957
At proposed prod. zone: same as above 4434838Y -109.216361

11. Sec., T. R. M. or Blk. and Survey or Area: Section 9, T9S, R24E

14. Distance in miles and direction from nearest town or post office*: 38 miles south of Vernal, UT

12. County or Parish: Uintah

13. State: UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any): 2056'

16. No. of acres in lease: 120

17. Spacing Unit dedicated to this well: 40

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.: 5194' GR

19. Proposed Depth: 8,000

20. BLM/BIA Bond No. on file: UTB000181

21. Elevations (Show whether DF, KDB, RT, GL, etc.): 5194' GR

22. Approximate date work will start*: 06/01/2010

23. Estimated duration: 1 month

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
5. Operator certification
6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature: William A Ryan — Name *(Printed/Typed)*: William A. Ryan — Date: 02/24/2010

Title: Agent

Approved by *(Signature)*: — Name *(Printed/Typed)*: BRADLEY G. HILL — Date: 03-03-10

Title: — Office: ENVIRONMENTAL MANAGER

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

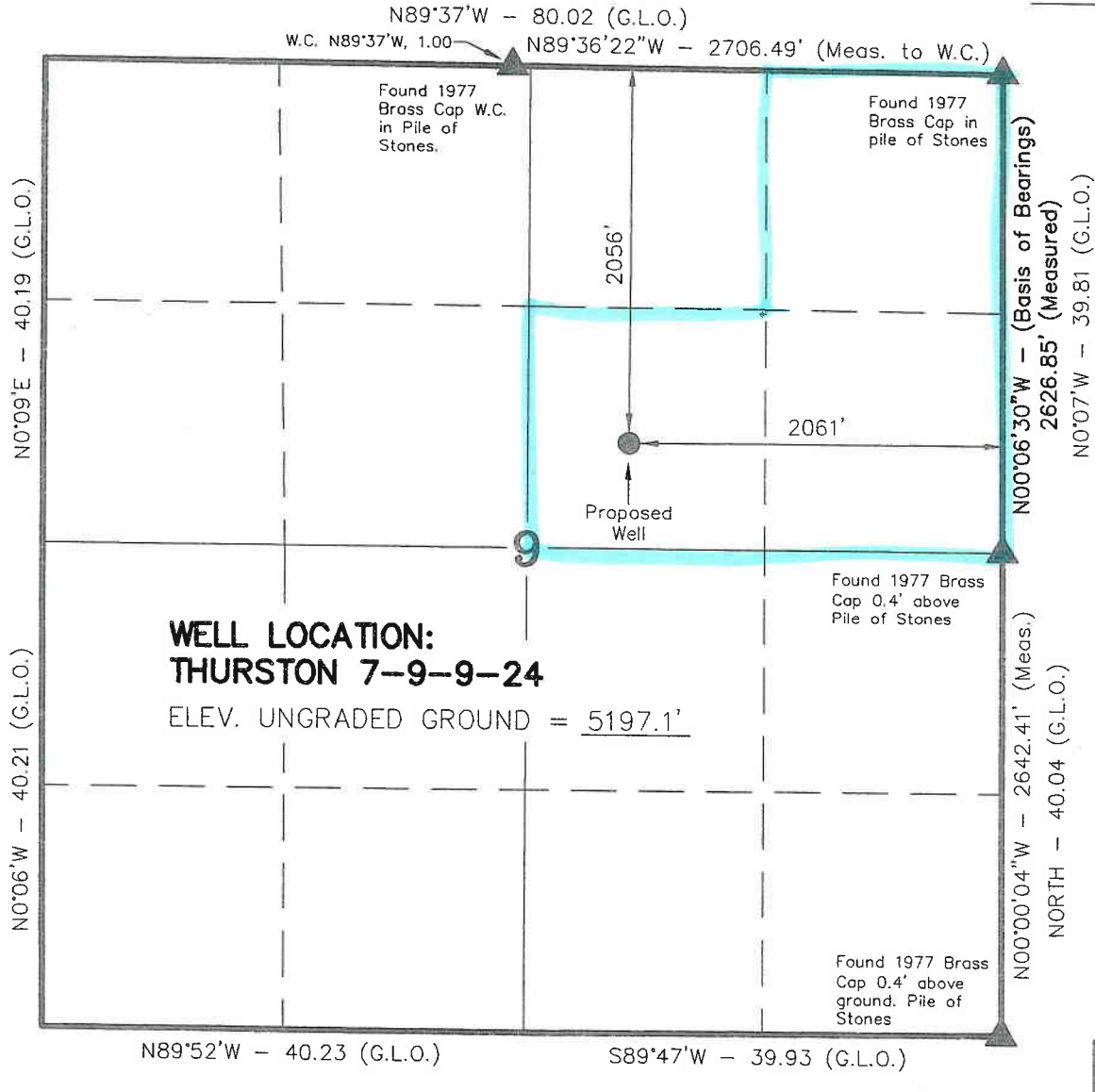
*(Instructions on page 2)

Federal Approval of this Action is Necessary

RECEIVED
MAR 02 2010
DIV. OF OIL, GAS & MINING

T9S, R24E, S.L.B.&M.

THURSTON ENERGY OPERATING COMPANY



WELL LOCATION, THURSTON 7–9–9–24, LOCATED AS SHOWN IN THE SW 1/4 NE 1/4 OF SECTION 9, T9S, R24E, S.L.B.&M. UINTAH COUNTY, UTAH.

NOTES:

1. Well footages are measured at right angles to the Section Lines.
2. Bearings are based on Global Positioning Satellite observations.

N

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR No. 362251 KOLBY R. KAY STATE OF UTAH

Kolby R. Kay

REGISTERED LAND SURVEYOR
REGISTRATION No. 362251
STATE OF UTAH

▲ = SECTION CORNERS LOCATED

BASIS OF ELEVATION IS BENCH MARK 46 EAM LOCATED IN THE SW 1/4 OF SECTION 23, T9S, R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE BONANZA 7.5 MIN. QUADRANGLE AS BEING 5550'.

THURSTON 7–9–9–24
(Proposed Well Head)
NAD 83 Autonomous
LATITUDE = 40° 03' 07.3"
LONGITUDE = 109° 13' 01.2"

TIMBERLINE LAND SURVEYING, INC.
38 WEST 100 NORTH. – VERNAL, UTAH 84078
(435) 789–1365

DATE SURVEYED: 10–16–05	SURVEYED BY: K.R.K.	SHEET 2
DATE DRAWN: 10–29–05	DRAWN BY: J.R.S.	
SCALE: 1" = 1000'	Date Last Revised:	OF 10

SELF-CERTIFICATION STATEMENT

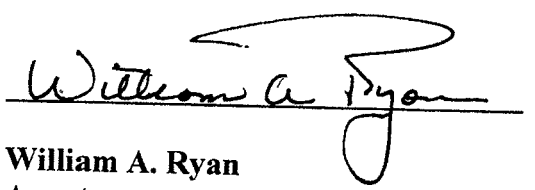
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that The Thurston Energy Operating Company are considered to be the operator of the following well.

Thurston 7-9-9-24
Section 9, T.9S, R. 24 E.
SW ¼, NE ¼,
Lease U-5217
Uintah County, Utah

The Thurston Energy Operating Company is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond UTB-000181 provides state-wide bond coverage on all Federal lands.



William A. Ryan
Agent
Rocky Mountain Consulting
290 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax
rmcwar@hotmail.com

Ten Point Plan

Thurston Energy Operating Company

Thurston 7-9-9-24

Surface Location SW ¼ NE ¼, Section 9, T. 9S., R. 24E.

1. **Surface Formation**
   Green River

2. **Estimated Formation Tops and Datum:**

Formation	Depth	Datum
Green River	Surface	+5,194' G.L.
Wasatch	4,330	+864'
Mesaverda	6,010	-816'
Sago	8,050	-2,856'
TD	8,000	-2,806'

A 11" hole will be drilled to 2,000' +/-. The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. **Producing Formation Depth:**
   Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information:

Permitted/Drilled:
RWS #3MU-9-9-24
Bonanza 16-8
Abandon Location:
Little Bonanza Fed #1-3
NGC #43-8
State #14-16
Abandon Wells:
Little Bonanza #1-4
Dirty Devil #U 1-9
Bonanza #2B-16
Shut in Well:
Bonanza #10D-8
Producing Wells:
Devils Playground #41-9
Bonanza #4D-16

4. **Proposed Casing:**

Hole Size	Casing Size	Weight/FT	Grade	Coupling & Tread	Casing Depth	New/Used
11"	9 5/8"	36#	J-55	STC	2000	NEW
7 7/8"	5 ½"	17#	N-80	LTC	T.D.	NEW

Cement Program:

Cement volume = Gauge hole + 25%

The Surface Casing will be cemented from 2000' to the Surface as follows:

	Casing Size	Casing Depth	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Top Job:						
	14"	As required	Class "G"	35 sks. +/-	1.18ft³/sk	15.6 ppg
Lead:						
	9 5/8	surface-1400'	Premium "5"	53 sks. +/-	3.82ft³/sk	11.0 ppg
Tail:						
	9 5/8	1400'-2000'	Premium "5"	92 sks. +/-	1.18ft³/sk	15.6 ppg

NOTE:
Cement top for tail = Trona + 200'

Production casing will be cemented to 200' inside surface casing or higher as follows:

	Casing Size	Casing Depth	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Lead:						
	5 1/2	1800'-4130'	Premium "5"	436 sks +/-	3.82ft³/sk	11.0 ppg
Tail:						
	5 1/2	4130'-TD	Premium "5"	372 sks +/-	1.18ft³/sk	15.6 ppg

NOTE:
Cement top for tail = Wasatch + 200'

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

Interval	Mud weight lbs./gal.	Viscosity Sec./OT.	Fluid Loss Ml/30 Mins.	Mud Type
40-2000	Air/Clear Water	NA	No Control	Air/Water
2000-T.D.	8.4-12.0	35-45	20-8	LSND

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

a) Test: None are anticipated.

b) Coring: There is the possibility of sidewall coring.

c) Sampling: Every 10' from 2000' to T.D.

d) Logging:

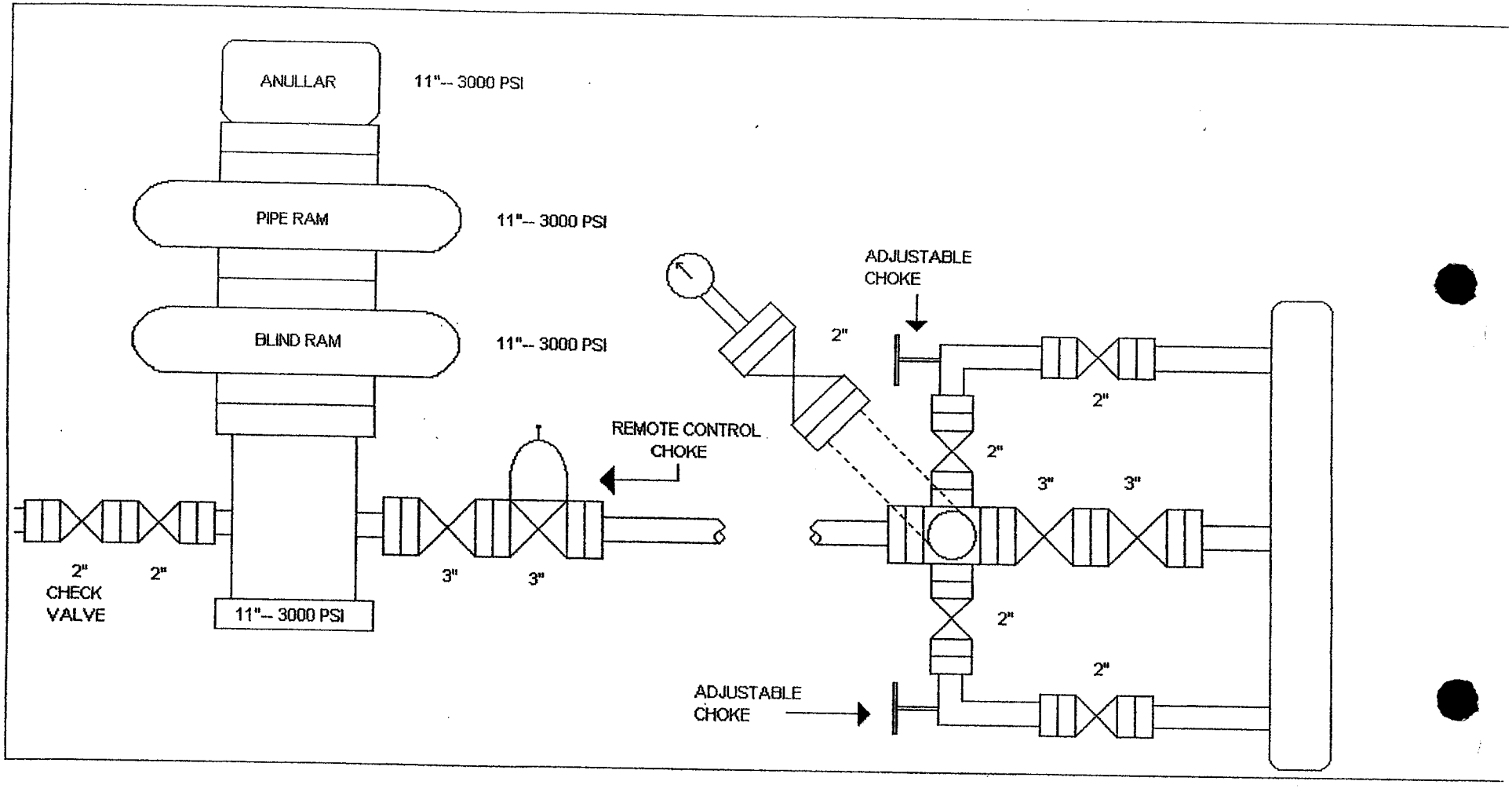
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch formation. Other wells drilled in the area have not encountered over pressured zones or H2S.

10. Drilling Schedule:

The anticipated starting date is: 6/1/2010. Duration of operations is expected to be 30 days.


ANULLAR
11"-- 3000 PSI
PIPE RAM
11"-- 3000 PSI
BLIND RAM
11"-- 3000 PSI
ADJUSTABLE CHOKE
2"
2"
REMOTE CONTROL CHOKE
2"
3"
3"
2" CHECK VALVE
2"
3"
3"
11"-- 3000 PSI
2"
2"
ADJUSTABLE CHOKE

THURSTON ENERGY OPERATING COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

THURSTON 7-9-9-24

LOCATED IN SW ¼ NE ¼

SECTION 9, T.9S, R24E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: U-5217

SURFACE OWNERSHIP: FEDERAL

1. **Existing Roads:**

Thurston Energy Operating CO

Thurston #7-9-9-24

Section 9, T9S, R24E

Starting in Vernal, Utah:

Proceed in an easterly, then southerly direction from Vernal, Utah along US Highway 40 approximately 3.3 miles to the junction of State Highway 45; exit right and proceed in a southerly direction along State Highway 45 approximately 33.0 miles to the junction of a service road. Exit right and proceed in a northwesterly direction along the service road approximately 1.2 miles to the proposed access road. Follow road flags in a southwesterly direction approximately 2,425' to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 38.0 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 2,425' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

A) Approximate length	**2425 ft**
B) Right-of-Way width	**30 ft**
C) Running surface	**18 ft**
D) Surface material	**Native soil**
E) Maximum grade	**5%**
F) Fence crossing	**None**
G) Culvert	**2**
60"& 48"	
H) Turnouts	**None**
I) Major cuts and fills	**None**
J) Road Flagged	**Yes**
K) Access road surface ownership	**Federal**
L) All new construction on lease	**Yes**
M) Pipe line crossing	**3**

1- UTU-742527
Triage Energy Corp.
2- SL-067001
Chevron Pipeline
3- There is a plastic line in the area adjacent to the location where the new access road starts. It will be protected with a half culvert.

N) Power-line crossing	**1**

UTU-44447
Moon Lake Electric Association
435-722-2448

Please see the attached location plat for additional details.

An off lease Right-of-Way will not be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

A) **Producing well**
Bonanza 4D-16
Devils Playground 41-9
B) **Water well** **None**
C) **Abandoned well**
Bonanza 2B-16
Dirty Devil U 1-9
Little Bonanza 1-4
D) **Temp. abandoned well** **None**
E) **Disposal well** **None**
F) **Drilling /Permitted well**
Bonanza 16-8
RWS 3MU9-9-24
G) **Shut in wells**
Bonanza 10D-8
H) **Injection well** **None**
I) **Monitoring or observation well** **None**

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Carlsbad Canyon** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Carlsbad Canyon**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval form the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 11,695' of 3" steel surface pipeline would be constructed on Federal and Private Lands. (Due to bedrock sandstone, shallow soils and a tie-in with a surface gathering system the line will not be buried.) The pipeline will tie into the existing well location 31-15A in Sec 15, T9S, R24E. The pipeline will be strung and boomed to the southeast of the location and parallel to the access roads when they are present.

An off lease Right-of-Way will be required for approximately 8,700'.

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the wellhead. The gas

line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from The White River at the Bonanza Bridge, Permit # - T75376.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **12 ft.** deep and most of the depth shall be below the surface of the existing ground Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit or, if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

A) Pad length	**345 ft**
B) Pad width	**260 ft**
C) Pit depth	**12 ft**
D) Pit length	**150 ft**
E) Pit width	**75 ft**
F) Max cut	**17.6 ft**
G) Max fill	**6.1 ft**
H) Total cut yds.	**6,470 cu yds**
I) Pit location	**North end**
J) Top soil location	**East & West ends**
K) Access road location	**West end**
L) Flare Pit	**corner C**

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at leas 42 inches.

C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately **1,500** cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. **The topsoil will be**

used in the interim reclamation. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. **The unused portion of the location (the area outside the dead men) will be reclaimed and re-contoured.**

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled
All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Interim Seed Mix:

6#/acre Needle & Thread Grass
6#/acre Crested Wheat Grass

11. Surface ownership:

Access road	**Federal**
Location	**Federal**
Pipe line	**Federal & Fee**

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, Bitter Brush, and Indian Rice grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is the White River located approximately 7 miles to the South.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
b) Location completion
Prior to moving on the drilling rig.
c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in **corner C** of the reserve pit out side the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting
Vernal, UT 84078

Office 435-789-0968

Fax: (435) 789-0970
Mobile: (435) 828-0969

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

A) Certification:

I herby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by Thurston Energy Operating Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date:_____

William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates:

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals Subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for Thurston Energy Operating CO
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell

IPC# 06-124

Paleontological Reconnaissance Report

Thurston Energy's Proposed Well Pads, Access Roads, and Pipelines for "Thurston #9-7-9-24; #7-9-9-24; #5-15-9-24; #10-15-9-24; #13-19-9-24; #8-20-9-24; #13-20-9-24; #5-27-9-24; #15-27-9-24; & #12-29-9-24" (Sec. 7, 9-10, 15, 19-20, 27, & 29, T 9 S, R 24 E)

Bonanza & Red Wash SE
Topographic Quadrangles
Uintah County, Utah

May 19, 2006

Prepared by Stephen D. Sandau
Paleontologist
Intermountain Paleo-Consulting
P. O. Box 1125
Vernal, Utah 84078

WELL COPY

A CULTURAL RESOURCE INVENTORY FOR THE THURSTON ENERGY OPERATING COMPANY WELLS #9-7-9-24, #7-9-9-24, #5-15-9-24, #10-15-9-24, #13-19-9-24, #8-20-9-24, #13-20-9-24, #5-27-9-24, #15-27-9-24, #12-29-9-24 and #13-29-9-24, AND THEIR ASSOCIATED ACCESS ROADS AND PIPELINES, UINTAH COUNTY, UTAH

by

Sandy Chynoweth Pagano
Archaeologist

Prepared for:

Rocky Mountain Consulting, Inc.
290 South 800 East
Vernal, Utah 84078

Prepared by:

Sagebrush Consultants, L.L.C.
3670 Quincy Avenue, Suite 203
Ogden, Utah 84403

Under the Authority of:

Cultural Resource Use Permit No. 05UT54630

and

Utah State Antiquities Permit No. U-05-SJ-1411bps

Cultural Resource Report No. 1479

April 20, 2006

INTRODUCTION

In November 2005, Rocky Mountain Consulting of Vernal, Utah requested that Sagebrush Consultants, L.L.C. (Sagebrush), on behalf of the Thurston Energy Operating Company, conduct a cultural resource inventory of eleven proposed Thurston wells #9-7-9-24, #7-9-9-24, #5-15-9-24, #10-15-9-24, #13-19-9-24, #8-20-9-24, #13-20-9-24, #5-27-9-24, #15-27-9-24, #12-29-9-24 and #13-29-9-24, and their associated access roads and pipelines in Uintah County, Utah. The purpose of this inventory is to identify cultural resources which may be present within the proposed project area.

The proposed wellpads and their associated access roads and pipelines are located in T.9S., R.24E., Secs. 7, 9, 10, 15, 19, 20, 27, and 29 on the USGS 7.5' Quadrangles Bonanza, Utah (1968) and Red Wash SE, Utah (1968)(Figures 1-4). The project area is located on lands controlled by the Bureau of Land Management (BLM), Vernal Field Office and on private lands. Additionally, the State of Utah owns mineral rights on lands in T.9S., R24E., Secs. 15, 27, and 29 of the current project area. The footages for the wells are as follows:

Thurston Well #	Footages	Thurston Well #	Footages
#9-7-9-24	2086' FSL 630' FEL	#7-9-9-24	2056' FNL 2061' FEL
#5-15-9-24	1963' FNL 463' FWL	#10-15-9-24	1864' FSL 2085' FEL
#13-19-9-24	828' FSL 829' FWL	#8-20-9-24	2038' FNL 751' FEL
#13-20-9-24	856' FSL 685' FWL	#5-27-9-24	2071' FNL 737' FWL
#15-27-9-24	683' FSL 1797' FEL	#12-29-9-24	1973' FSL 656' FWL
#13-29-9-24	753' FSL 736' FWL		

The survey was carried out by Michael R. Polk, Sandy C. Pagano, Angela Garrison, and LeAnn C. Schuster on November 3, 2005 and March 31 through April 14, 2006, under the authority of Utah State Antiquities Permit No. U-05-SJ-1411bps.

Prior to conducting fieldwork, a file search for previously recorded cultural resource sites and projects near the current project area was conducted by Tanya Johnson of Sagebrush at the Division of State History, Utah State Preservation Office (SHPO) in Salt Lake City on December 15, 2005. Kristen Jensen of SHPO conducted a GIS file search at the SHPO in Salt Lake City on November 15, 2005. An additional file search was conducted by Sandy C. Pagano and LeAnn C. Schuster on November 3, 2005 at the BLM, Vernal Field Office, and updated on March 30, 2006 by Sandy C. Pagano and Angela Garrison. General Land Office (GLO) Records located in the Public Room of the Bureau of Land Management (BLM), Utah State Office, Salt Lake City were also reviewed prior to fieldwork.

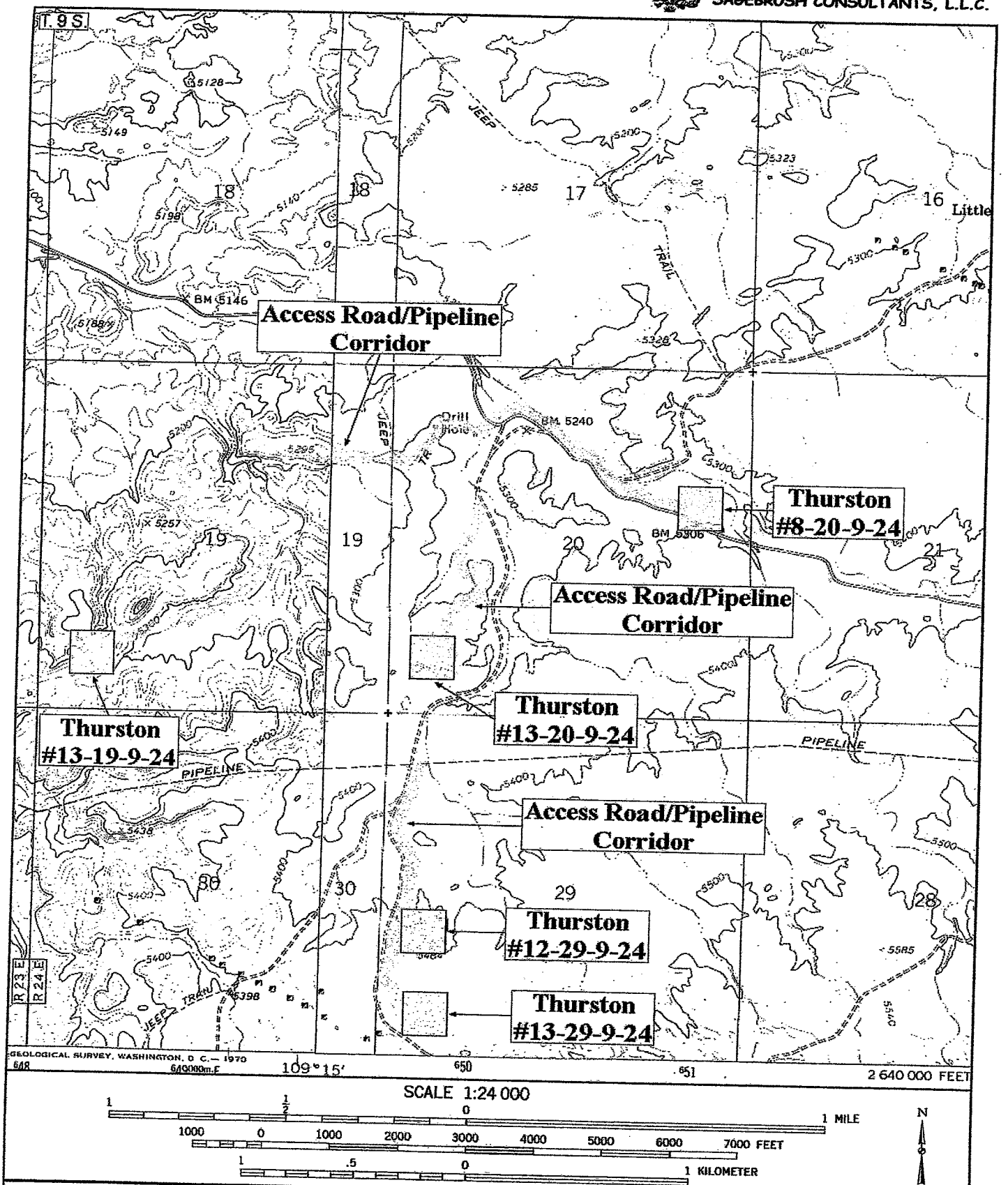


Figure 1. Location of proposed Thurston wells and their access road/pipeline corridors. Taken from USGS 7.5' Quadrangle Red Wash SE, Utah (1968) and Bonanza, Utah (1968).

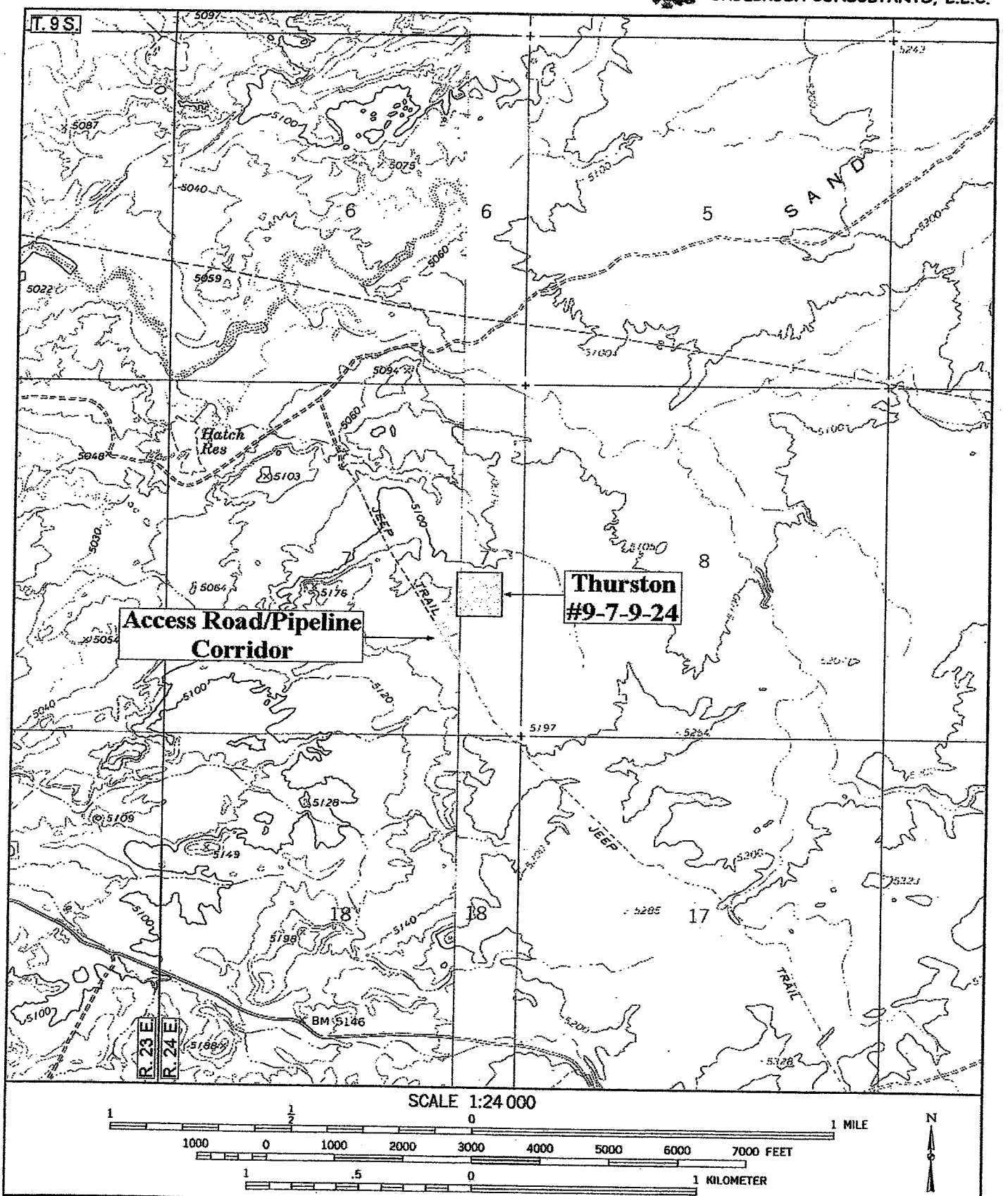


Figure 2. Location of proposed Thurston well #9-7-9-24 and its access road/pipeline corridor. Taken from USGS 7.5' Quadrangle Red Wash SE, Utah (1968) and Bonanza, Utah (1968).

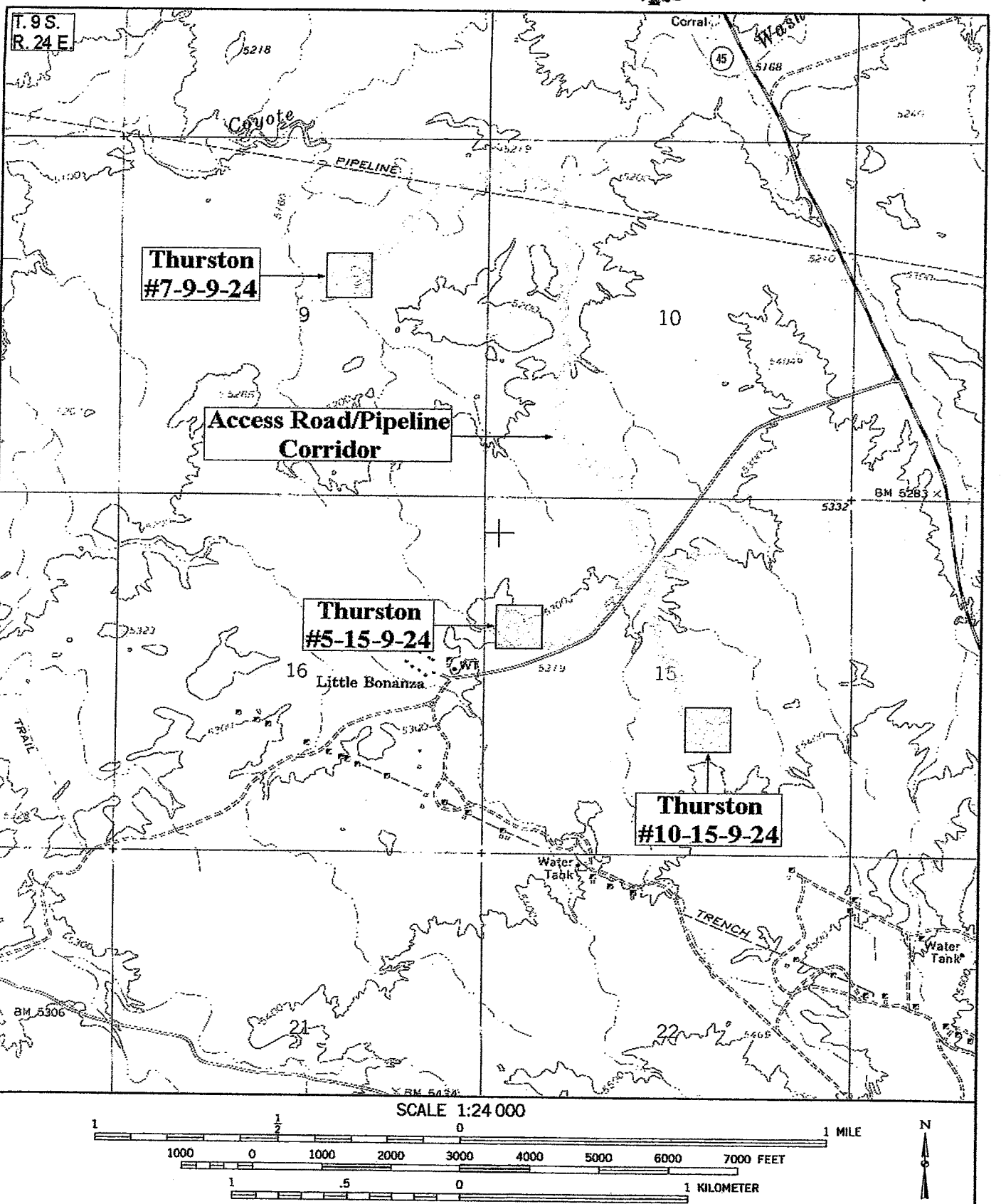


Figure 3. Location of proposed Thurston wells and their access road/pipeline corridors. Taken from USGS 7.5' Quadrangle Bonanza, Utah (1968).

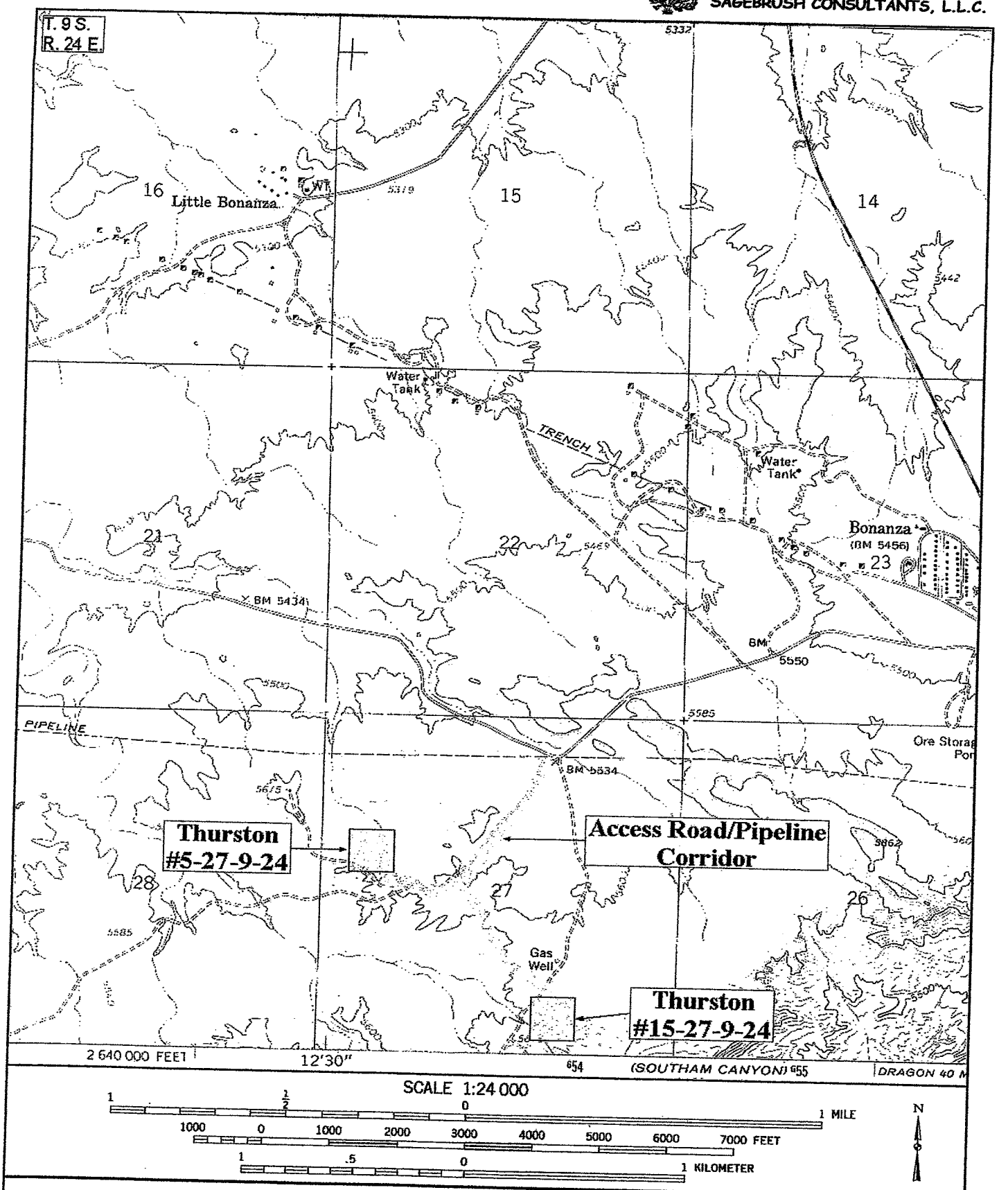


Figure 4. Location of proposed Thurston wells and their access road/pipeline corridors. Taken from USGS 7.5' Quadrangle Bonanza, Utah (1968).

Multiple previous cultural resource projects have been conducted near the current project area. Due to the large number of projects conducted in this area, individual project descriptions will not be listed. However, forty-three cultural resource sites have been identified within one-half mile of the current project area. Following is a brief description of these sites:

Site 42UN553. This site is a single isolated brown chert corner-notched projectile point located on a ridge top above a dry wash. The projectile point was collected at the time of recordation. No features or additional artifacts were identified at this location. This site has not been evaluated for eligibility to the National Register of Historic Places (NRHP).

Site 42UN554. This site is a small lithic scatter eroding from the base of a dunal exposure on a low lying butte. Artifacts identified include several chert cores, two chert projectile point preforms, one chert hammer stone, and fire cracked rock. No features or diagnostic artifacts were noted. This site has not been evaluated for eligibility to the NRHP.

Site 42UN681 is a prehistoric lithic scatter located on a hill slope. Artifacts identified at this site include two mano fragments and five chert cores. No features were identified. This site was recommended NOT eligible to the NRHP.

Site 42UN923. This site is a small, low density lithic scatter. A total of six artifacts consisting of primary and secondary flakes, and one retouched secondary flake were located at the site. This site was recommended NOT eligible to the NRHP.

Site 42UN1291. This site, located on a hilltop, is an historic sheepherders camp. The site consists of several historic cans and wagon parts. This site was recommended NOT eligible to the NRHP.

Site 42UN1384. This site is a small lithic scatter located on top of a ridge. Artifacts identified at the site include eight primary and secondary flakes of quartzite and chert. No features or diagnostic artifacts were identified. This site was recommended NOT eligible to the NRHP.

Site 42UN1385. This site is an historic trash scatter that consists of a number of hole-in-top cans, tobacco tins, soda bottles, an enamel pan, a bucket, and a metal funnel. This site was recommended NOT eligible to the NRHP.

Site 42UN1386. This site is an historic trash dump associated with a nearby gilsonite mine. Over 1500 artifacts were identified at this site, including hole-in-top cans, sanitary cans, nails, enamel bowls, nails, buckets, wire bottles, rubber artifacts, lumber and unidentified metal and wood fragments. In addition, a corral constructed of juniper posts was located at the site. This site was recommended NOT eligible to the NRHP when it

was first recorded in 1983. The site was re-evaluated in 2002 and recommended ELIGIBLE to the NRHP.

Site 42UN3044. This site is an historic trash scatter located on a small ridge between two intermittent drainages. Artifacts identified at the site include greater than 60 cans (tobacco, sanitary, hole-in-top and baking powder), nails, wire, glass, lumber, rifle cartridges, and other miscellaneous artifacts. Features identified include four sandstone cairns. This site was recommended NOT eligible to the NRHP.

Site 42UN3621. This site is a temporary historic camp located on the crest of a prominent ridge. Artifacts identified include cans (hole-in-top, evaporated milk, sanitary and tobacco) and a metal pipe fragment. In addition, one sandstone hearth was identified. This site was recommended NOT eligible to the NRHP.

Site 42UN3622 is an open mining pit located on a south sloping ridge. This site consists of a rectangular pit dug into the bedrock that has largely been filled in. The closed pit is related to past gilsonite mining activities in the region. This site was recommended NOT eligible to the NRHP.

Site 42UN3626. This site is a temporary prehistoric camp located on the east slope of a shallow drainage in front of an overhanging boulder. Artifacts identified include two flakes, three groundstone grinding slabs and one hammerstone. No features or structures were found to be associated with this site. This site was recommended ELIGIBLE to the NRHP.

Site 42UN3627. This site consists of two historic sandstone cairns located on the crest and slope of a prominent ridge. No artifacts were found to be associated with these cairns. This site was recommended NOT eligible to the NRHP.

Site 42UN3628. This site is a series of prehistoric rock art panels located beneath two adjacent sandstone overhangs at the base of a sandstone rim. This site consists of three panels of prehistoric pictographs. This site was recommended ELIGIBLE to the NRHP.

Site 42UN3629. This site is an isolated historic rock cairn located on the highest point of a narrow ridge. The cairn was constructed in cribbed style with alternating courses of rectangular oblong-shaped slabs. This site was recommended NOT eligible to the NRHP.

Site 42UN3630. This site is a small historic trash scatter. Artifacts identified at the site include glass shards, hole-in-top cans, a tobacco tin, some weathered wood, and three sanitary cans. This site was recommended NOT eligible to the NRHP.

Site 42UN3631. This site is a prehistoric lithic scatter with three stone tools and one tertiary flake. This site was recommended ELIGIBLE to the NRHP.

Site 42UN3632. This site consists of a single collapsed historic sandstone slab cairn. This site was recommended NOT eligible to the NRHP.

Site 42UN3633. This site is a temporary historic camp located on the northeast slope of a knoll and ridge. Two trash concentrations and one thermally altered rock concentration were located at this site. Artifacts identified include evaporated milk cans, sanitary cans, tobacco tins, a chewing tobacco lid, a muleshoe, a rifle cartridge, bailing wire and a wire nail. The rock feature appears to have served as a stove platform. This site was recommended NOT eligible to the NRHP.

Site 42UN3634. This site is an historic trash scatter consisting of three hole-in-top cans, one sanitary can, and a paint or axle grease can lid. This site was recommended NOT eligible to the NRHP.

Site 42UN3635. This site is an isolated historic rock cairn located on the southeast margin of a hilltop. Views in all directions are possible from this geographic location. The cairn is partially collapsed. This site was recommended NOT eligible to the NRHP.

Site 42UN3637, located on both slopes of a wash, is a prehistoric temporary encampment. The artifacts identified at this site include flakes, a mano, a metate, a hammerstone, and fire cracked rock. Features include one hearth and three sandstone roasting pits or cists. This site has spatial patterning and depth potential and was recommended ELIGIBLE to the NRHP.

Site 42UN3638, located on a bench, is a prehistoric lithic scatter. Lithic artifacts identified at this site include seven flakes, one biface, four cores, and a retouched flake. It was recommended NOT eligible to the NRHP.

Site 42UN3639. This site consists of two historic, sandstone cairns located on the flat top of a butte overlooking several historic sheepherder camps. This site was recommended NOT eligible to the NRHP.

Site 42UN3640. This site is an historic encampment located on a gentle slope at the base of a ridge. The site is primarily identified by a single rock tent platform, some fragments of wood, and a rifle cartridge. This site was recommended NOT eligible to the NRHP.

Site 42UN3641. This site is an historic encampment located on the top and slope of a knoll. The site is primarily identified by a sandstone stove platform. This site was recommended NOT eligible to the NRHP.

Site 42UN3642. This site, located on the edge of a ridge top, is a stacked rock cairn. A single tobacco tin was observed in the vicinity. The site was recommended NOT eligible to the NRHP.

Site 42UN3687. This site is an historic trash scatter located on a low, rolling plain adjacent to the Little Bonanza mining complex. Artifacts identified include cans, glass and ceramic fragments, boot fragments, lumber, and additional miscellaneous artifacts. The site was recommended NOT eligible to the NRHP.

Site 42UN3688. This site is an historic trash scatter located at the base of a low ridge. Artifacts identified include approximately 150 cans, glass and ceramic fragments, nails, slag, a rifle cartridge, toy wagon fragments, wire, and additional miscellaneous domestic debris. This site was recommended NOT eligible to the NRHP.

Site 42UN3708, located on a gentle north facing slope of a low, north-south trending finger ridge, consists of a small lithic scatter. The site is comprised of approximately 20 lithic flakes of tan quartzite and one flake of chalcedony. The lithic debris is eroding out of stabilized sand dunes, suggesting the possibility of subsurface artifacts and/or habitation features. The site was recommended ELIGIBLE to the NRHP.

Site 42UN4371. This site is located on a slightly sloping terrace and represents a portion of the Little Emma gilsonite mining complex. There are four mine openings and one trench within the site. In addition, trash (historic and modern) is scattered throughout the site. The site contains artifacts from a variety of functional categories but is dominated by industrial and domestic materials. This site was recommended ELIGIBLE to the NRHP.

Site 42UN4371 addendum is a habitational loci associated with the Little Emma Mine site. The site consists of an earthen platform with a timber foundation remnant, four dense artifact concentrations, and a broad scatter of trash. The large amount of domestic debris indicates significant use of this location as a habitational site. This habitational loci was considered to be a contributing component to the previously recommended ELIGIBLE Little Emma Mine site.

Site 42UN4500 consists of a small historic sheepherder's camp. The camp is located on a slight slope and wash just south of a small level bench. Artifacts noted include four tobacco tins, one piece of cut wood, horseshoes, horseshoe nails, a slightly tinted amethyst bottle neck fragment, a clear glass bottle base and eight sanitary cans. The site was recommended NOT eligible to the NRHP.

Site 42UN4526. This site consists of one collapsed sandstone cairn and a Division of Grazing allotment sign. The sandstone cairn is located at the center of the knoll and the allotment sign is located approximately 15 ft to the west on the extreme western edge of the knoll. The sign was placed here and used sometime between 1934 and 1939. The site was recommended ELIGIBLE to the NRHP.

Site 42UN4547, located on a flat area at the base of a ridge, is a small historic trash scatter. Artifacts include tin cans, bullet casings, and flat tack nails. The site was recommended NOT eligible to the NRHP.

Site 42UN4548 is a medium-sized historic trash scatter on a low ridge top. The site contains tin cans, glass fragments, and ceramic fragments. It was recommended NOT eligible to the NRHP.

Site 42UN4549 consists of an historic trash scatter associated with gilsonite mining activity. Artifacts include tin cans, glass fragments, wire, and additional miscellaneous historic artifacts. The site was recommended NOT eligible to the NRHP.

Site 42UN4550, located on a gentle slope off a low ridge just east of a dirt road, consists of a small historic trash scatter. Artifacts include tin cans, glass fragments, and other miscellaneous historic artifacts. The site was recommended NOT eligible to the NRHP.

Site 42UN4715 consists of a 2700 ft long abandoned segment of old Highway 45 which runs parallel with the current Highway 45. The abandoned corridor contains a bridge and a scatter of historic trash. The site was recommended NOT eligible to the NRHP.

Site 42UN4777. This site, located along a valley floor and the slope and top of a finger ridge, is a large historic encampment likely associated with gilsonite mining in the Cowboy-Bonanza system. Fifteen features, three artifact concentrations, and over 700 artifacts were identified at this site. Artifacts include hole-in-top cans, sanitary cans, tobacco tins, sardine/fish cans, aqua insulators, bottles and bottle fragments in a variety of colors, horseshoes, enamelware cooking pots and pans, wire buckles, metal buttons, milled lumber fragments, and numerous miscellaneous items. This site was recommended ELIGIBLE to the NRHP.

Site 42UN4778 is a single episode trash dump located along a drainage between two ridges. Artifacts identified include hole-in-cap cans, sanitary cans, an oyster pail and a clear glass fragment. No features were identified in association with this site. The site was recommended NOT eligible to the NRHP.

Site 42UN4787, located adjacent to Highway SR45, is an historic trash dump. Artifacts observed include over 350 tin cans, two complete bottles and a bottle base, and two ceramic sherds. The site, which dates ca. 1945-1954, was recommended NOT eligible to the NRHP.

Site 42UN4888 is a single episode trash dump located on a slope and ridge top between two ridges. Artifacts include sanitary cans, hole-in-top cans, tobacco tins, coffee cans, and fragments of milled lumber, wire, and wrought iron. The site was recommended NOT eligible to the NRHP.

No other cultural resources sites have been recorded in the vicinity of the current project area. The National Register of Historic Places was consulted prior to the commencement of fieldwork for the current project. No NRHP sites were found to be in the vicinity of the current project area.

ENVIRONMENT

The Thurston well locations are located in the dissected tablelands north of the White River. The elevation of the area surveyed for the wells ranges between 5100 and 5500 feet a.s.l. Sediments in the upland areas consist of tan to light reddish brown sandy silt aeolian deposits and reddish-tan sandy silt materials in the lowland areas. Vegetation in the well locations covers on average approximately 20 percent of the ground surface. Existing vegetation consists of sagebrush community species including big sagebrush, rabbit brush, ricegrass, greasewood, prickly-pear, bunchgrass, four-wing salt bush, and cheat grass. Pinyon-juniper communities exist in the higher elevations in the surrounding area. The nearest permanent water source is the White River located 2 to 3 miles to the south of the project area. Numerous seasonal drainages and washes are present through the general vicinity of the project areas.

Natural disturbance in these areas consists of sheetwash and aeolian erosion. Cultural disturbances include the construction of existing well pad locations, access roads, and pipelines, and impacts from sheep and cattle grazing.

METHODOLOGY

An intensive cultural resource inventory was carried out for the proposed Thurston wells #9-7-9-24, #7-9-9-24, #13-19-9-24, #5-15-9-24, #10-15-9-24, #8-20-9-24, #13-20-9-24, #5-27-9-24, #15-27-9-24, #12-29-9-24, and #13-29-9-24 and their associated access roads and pipelines. The project area consists of eleven 40,469 sq m (10 acre) parcels of land 201-by-201 m (660-by-660 ft) centered on the proposed well heads, and 32,535 ft (6.12 mi) of proposed access road and pipeline corridor. The well pads were inventoried in parallel transects spaced no more than 15 m (50 ft) apart. The access road and/or pipeline corridors were was also walked in parallel transects spaced 15 m (50 ft) apart to cover a corridor width of 60 m (200 ft). The area surveyed during this project, including well pads, access roads and pipelines, totaled 105.26 ha (260.11 ac). Of this, 82.84 ha (204.7 ac) lies on lands controlled by the BLM, Vernal Field Office, and 22.42 ha (55.41 ac) lies on private lands.

RESULTS

An intensive cultural resource inventory was carried out for the Thurston wells #9-7-9-24, #7-9-9-24, #5-15-9-24, #10-15-9-24, #13-19-9-24, #8-20-9-24, #13-20-9-24, #5-27-9-24, #15-27-9-24, #12-29-9-24 and #13-29-9-24, and their associated access roads and pipelines. One isolated artifact (IF-1) and one new cultural resource site (42UN5253) were located during this inventory (Figure 5). One previously recorded cultural resource site was revisited during this inventory (42UN1386).

IF-1 consists of a single chert secondary flake. The flake measures 2.0 cm long x 1.6 cm wide (to the break) x 0.2 cm thick and is light tan with gray mottling. No other artifacts were observed in association with this isolate.

Site 42UN1386. This site, originally recorded in 1983, consists of a large trash dump associated with gilsonite mining activity in the area (Billat 1983). The site was updated in 2002 and again in 2004 by Montgomery Archaeological Consultants (Montgomery 2002; Silverman 2004). The updates provided additional detail and artifact counts in addition to expanding the site boundaries and updating the site map using GPS. The site, which has been determined NRHP Eligible for Section 106 Review, was revisited by Sagebrush. The site appears as recorded in 2004 and was not re-updated during this project. Sagebrush concurs with the previous recommendations.

Site 42UN5253. This site, located in a relatively flat area between a series of low hills and ridges, consists of a small, relatively dense historic trash midden. The site measures 70 ft (N-S) x 65 ft (E-W). Artifacts identified include numerous tin cans, glass and ceramic fragments, wire nails, a mule shoe, lantern parts, battery cores, lumber fragments, buttons, cut bone fragments, a wheel, numerous wire fragments, crockery, a toy wagon wheel, lantern parts, buttons, a porcelain doll fragment, a shoe sole, buttons, tire fragments, wire springs, rubber canning jar seals, fire brick and numerous additional miscellaneous industrial and domestic metal artifacts. The artifacts are clustered together in a relatively dense concentration, a portion of which has been burned (F1). F1 consists of a linear cluster of artifacts, fragments, slag and ash located on the east side of the site. The burned area is approximately 3-5 ft wide and 20-25 ft long (N-S). It appears likely to be a trash midden for a campsite associated with mining activity at the nearby Little Emma gilsonite vein.

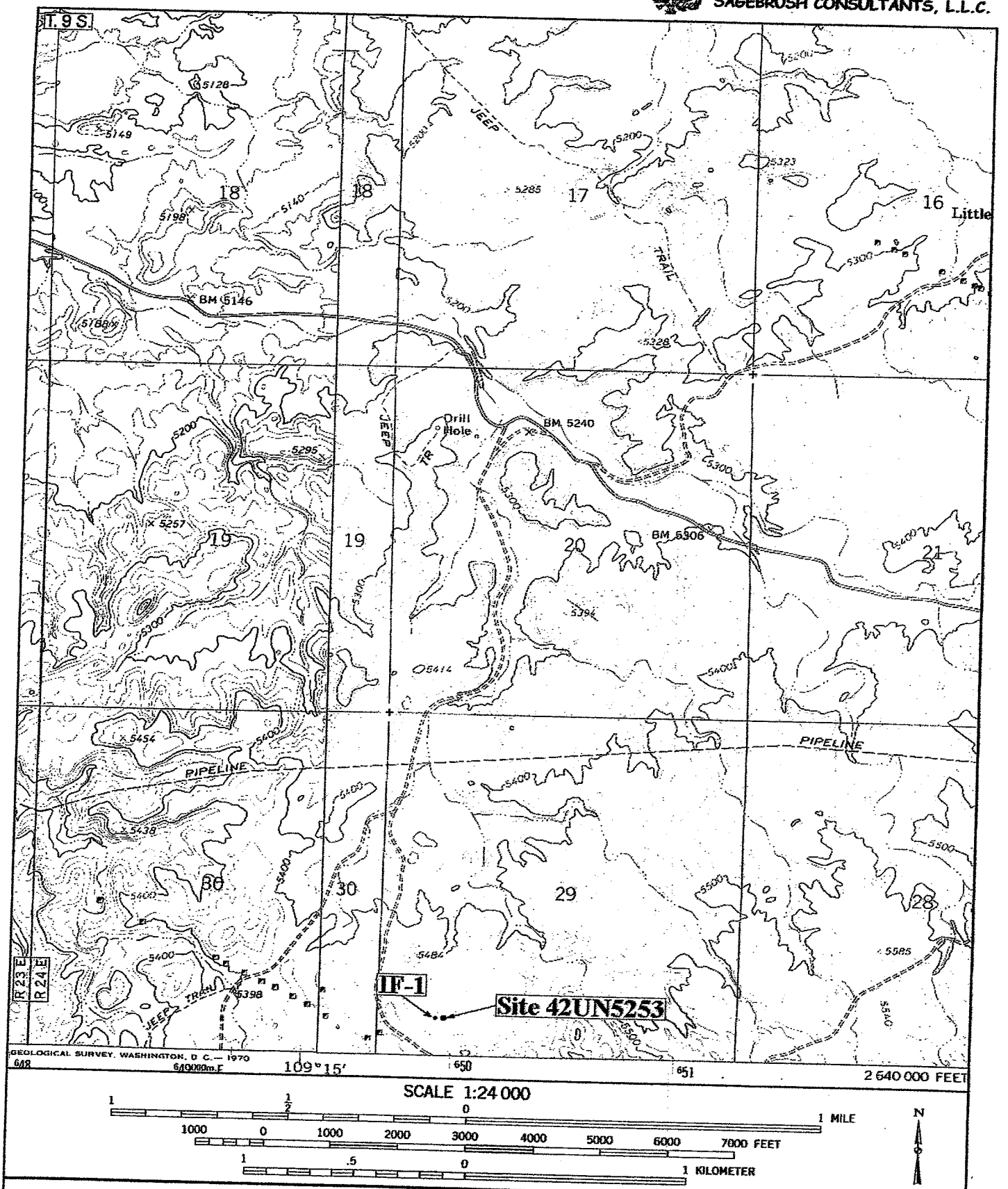


Figure 5. Location of site 42UN5253 and isolated artifact IF-1 identified during the survey. Taken from USGS 7.5' Quadrangle Red Wash SE, Utah (1968) and Bonanza, Utah (1968).

RECOMMENDATIONS

An intensive cultural resource inventory was carried out for the Thurston wells #9-7-9-24, #7-9-9-24, #5-15-9-24, #10-15-9-24, #13-19-9-24, #8-20-9-24, #13-20-9-24, #5-27-9-24, #15-27-9-24, #12-29-9-24 and #13-29-9-24, and their associated access roads and pipelines. One isolated artifact (IF-1) and one new cultural resource site (42UN5253) were located during this inventory. Isolated artifacts identified during this inventory are not associated with any known site and in-and-of-themselves are not considered for eligibility to the NRHP. Following are the criteria followed in determining the eligibility of properties as set forth in 36CFR 60.4:

> The quality of significance in American history, architecture, archaeology, and culture is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling, and association, and:
>
> (A) that are associated with events that have made a significant contribution to the broad patterns of our history; or
>
> (B) that are associated with the lives of persons significant in our past; or
>
> (C) that embody the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
>
> (D) that have yielded, or may be likely to yield, information important in prehistory or history.

Based upon the above criteria, historic site 42UN5253 is recommended **NOT** eligible to the NRHP. The site represents a surficial scatter of historic debris with very little or no potential for depth. The artifact scatter appears to be a trash midden within which a number of diagnostic artifacts have been documented. The site has been thoroughly documented and is not likely to provide additional data important to the understanding of historic consumption patterns or occupation of the region. Therefore, this site is recommended **NOT** eligible to the NRHP.

An intensive cultural resource inventory was carried out for the proposed Thurston wells #9-7-9-24, #7-9-9-24, #5-15-9-24, #10-15-9-24, #13-19-9-24, #8-20-9-24, #13-20-9-24, #5-27-9-24, #15-27-9-24, #12-29-9-24 and #13-29-9-24, and their associated access roads and pipelines in Uintah County, Utah. The proposed #13-29-9-24 well location was relocated to the #12-29-9-24 location to avoid two cultural resource sites (42UN1386 and 42UN5253). No additional cultural resource sites were located during this inventory. As such, cultural resource clearance is recommended for this project.

This investigation was conducted with techniques which are considered to be adequate for evaluating cultural resources that are available for visual inspection and could be adversely affected by the proposed project. However, should such resources be discovered during construction, a report should be made immediately to the BLM, Vernal Field Office for BLM lands and the SITLA archaeologist in Salt Lake City for SITLA lands.

REFERENCES CITED

Billat, Scott

1983 Intermountain Antiquities Computer System (IMACS) Form for Site 42UN1386. Cultural Resource Management Service, Brigham Young University. Inventory files, Division of State History, Utah State Historic Preservation Office, Salt Lake City, Utah.

Montgomery, Keith

2002 Intermountain Antiquities Computer System (IMACS) Form update for Site 42UN1386. Montgomery Archaeological Consultants. Inventory files, Division of State History, Utah State Historic Preservation Office, Salt Lake City, Utah.

Silverman, Shari Maria

2004 Intermountain Antiquities Computer System (IMACS) Form update for Site 42UN1386. Montgomery Archaeological Consultants. Inventory files, Division of State History, Utah State Historic Preservation Office, Salt Lake City, Utah.

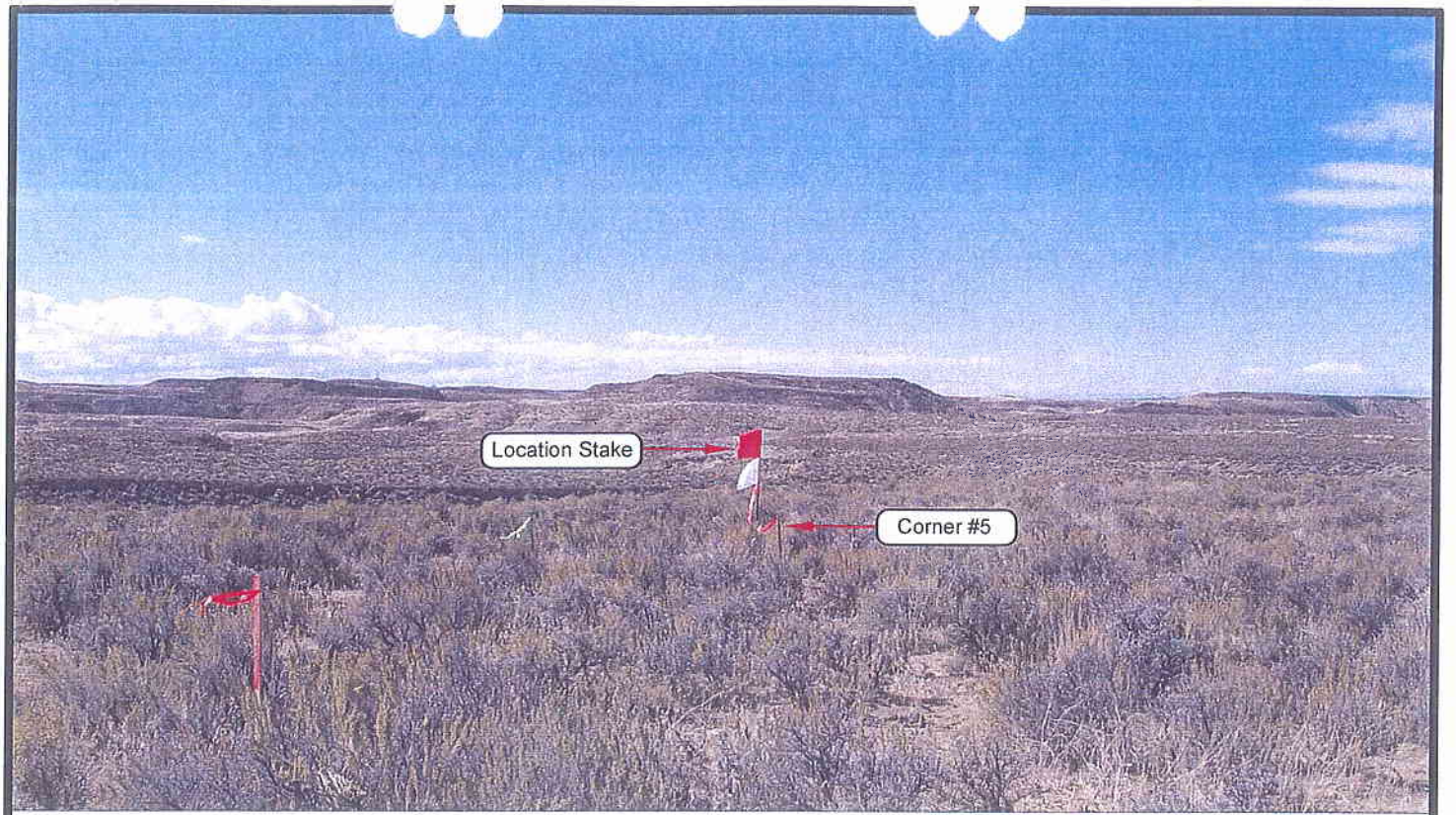


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHWESTERLY

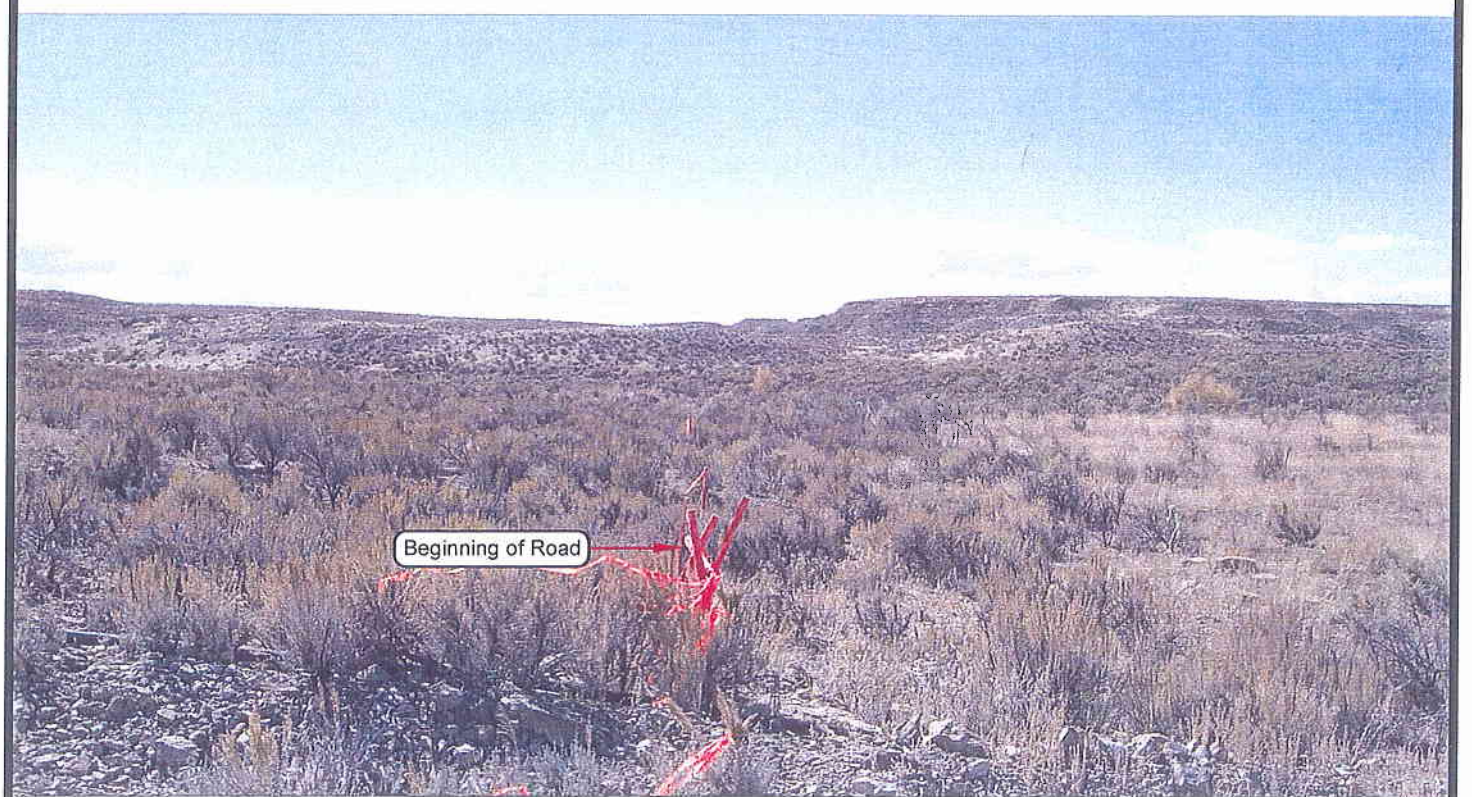


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHWESTERLY

THURSTON ENERGY

THURSTON 7-9-9-24
SECTION 9, T9S, R24E, S.L.B.&M.
2056' FNL & 2061' FEL

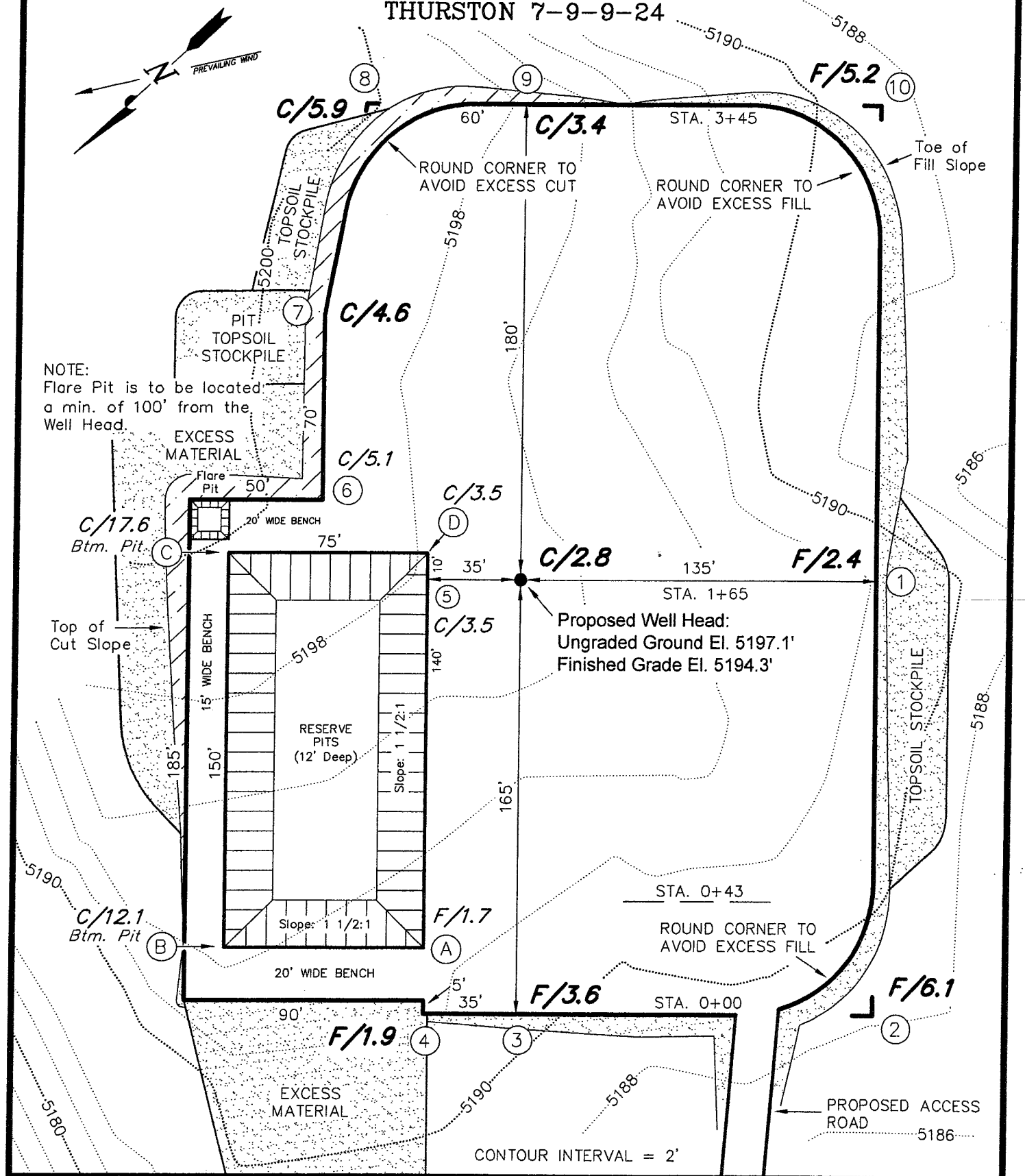
LOCATION PHOTOS		DATE TAKEN: 10-16-05
		DATE DRAWN: 11-03-05
TAKEN BY: K.R.K.	DRAWN BY: B.J.Z.	REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

THURSTON ENERGY OPERATING COMPANY

CUT SHEET

THURSTON 7-9-9-24

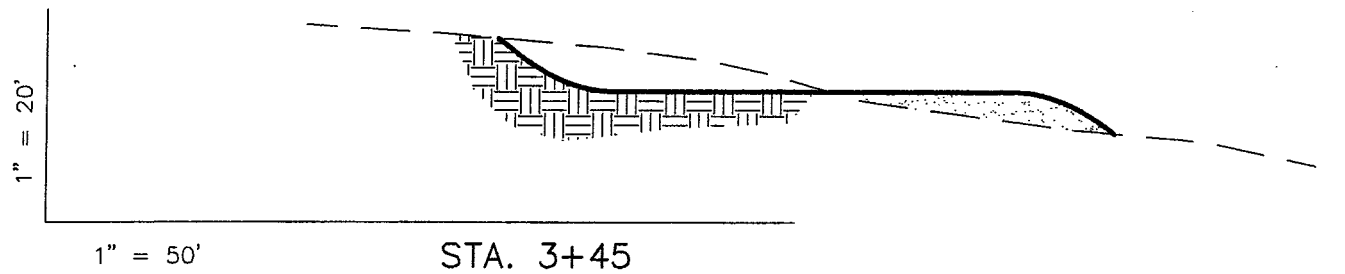


Section 9, T9S, R24E, S.L.B.&M.	Qtr/Qtr Location: SW NE	Footage Location: 2056' FNL & 2061' FEL		
Date Surveyed: 10-16-05	Date Drawn: 11-3-05	Date Last Revision:	Timberline Land Surveying, Inc. (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078	SHEET 3 OF 10
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'		

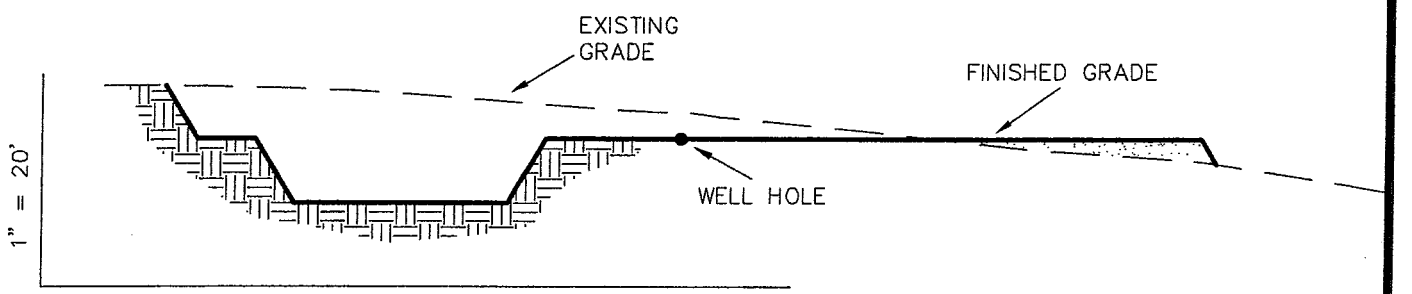
THURSTON ENERGY OPERATING COMPANY

CROSS SECTIONS

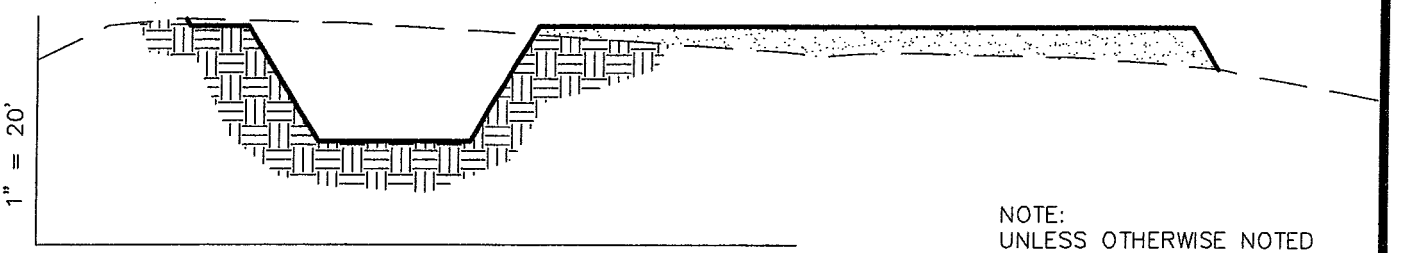
THURSTON 7-9-9-24



STA. 3+45

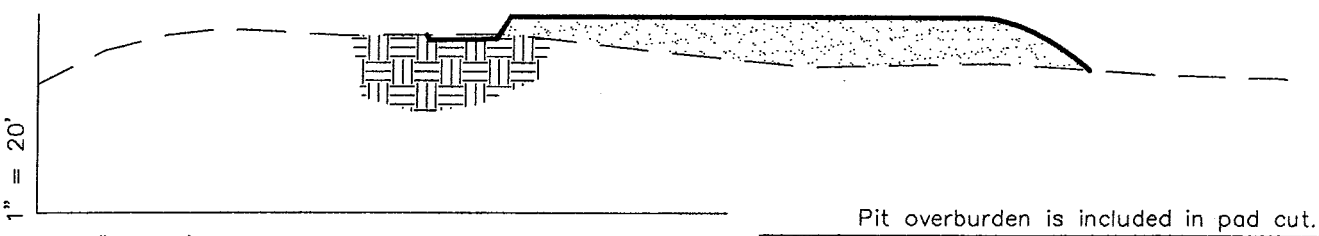


STA. 1+65



STA. 0+43

NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1



STA. 0+00

REFERENCE POINTS

185' SOUTHWESTERLY = 5189.0'
229' SOUTHWESTERLY = 5184.0'
230' SOUTHEASTERLY = 5190.3'
280' SOUTHEASTERLY = 5187.3'

Pit overburden is included in pad cut.

ESTIMATED EARTHWORK QUANTITIES
(No shrink or swell adjustments have been used)
(Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	3,130	4,800	Topsoil is not included in Pad Cut	-1,670
PIT	3,340	0		3,340
TOTALS	6,470	4,800	1,500	1,670

Excess Material after Pit Rehabilitation = 0 Cu. Yds.

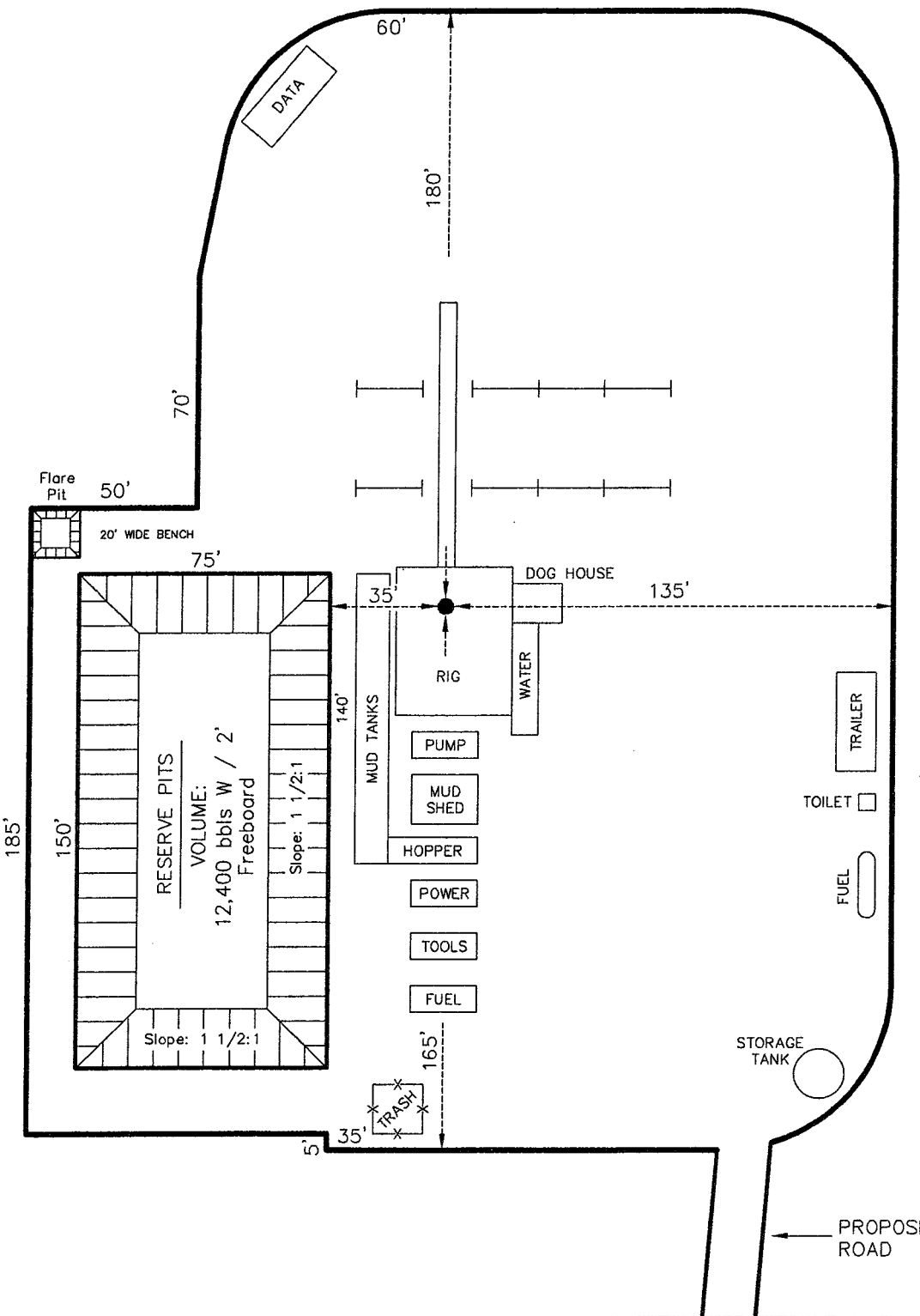
Section 9, T9S, R24E, S.L.B.&M.	Qtr/Qtr Location: SW NE	Footage Location: 2056' FNL & 2061' FEL
Date Surveyed: 10-16-05	Date Drawn: 11-3-05	Date Last Revision:
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'

Timberline Land Surveying, Inc. (435) 789-1365
38 WEST 100 NORTH VERNAL, UTAH 84078

THURSTON ENERGY OPERATING COMPANY

TYPICAL RIG LAYOUT

THURSTON 7-9-9-24

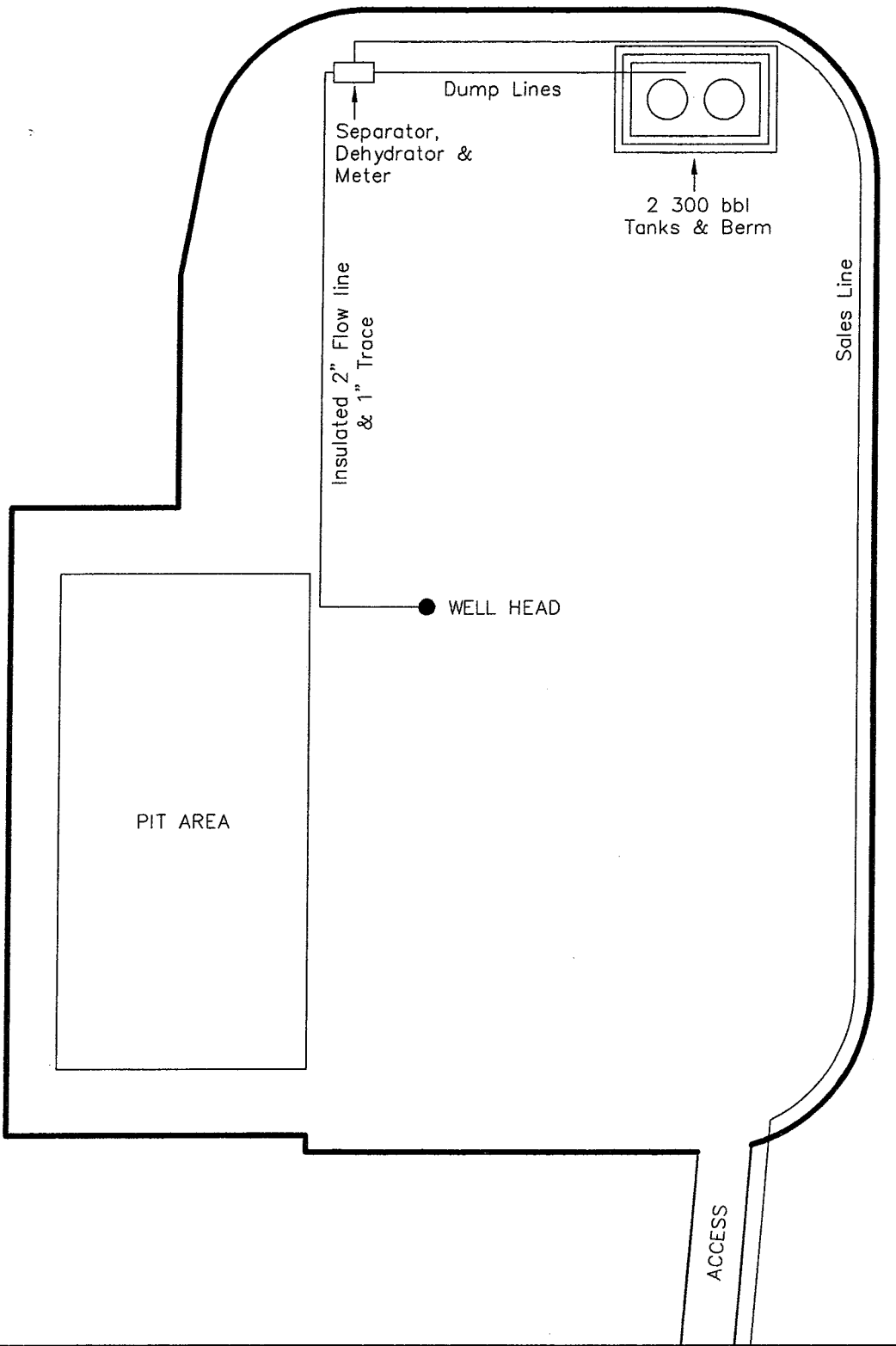


Section 9, T9S, R24E, S.L.B.&M.	Qtr/Qtr Location: SW NE	Footage Location: 2056' FNL & 2061' FEL		
Date Surveyed: 10-16-05	Date Drawn: 11-3-05	Date Last Revision:	Timberline Land Surveying, Inc. (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078	SHEET 5 OF 10
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'		

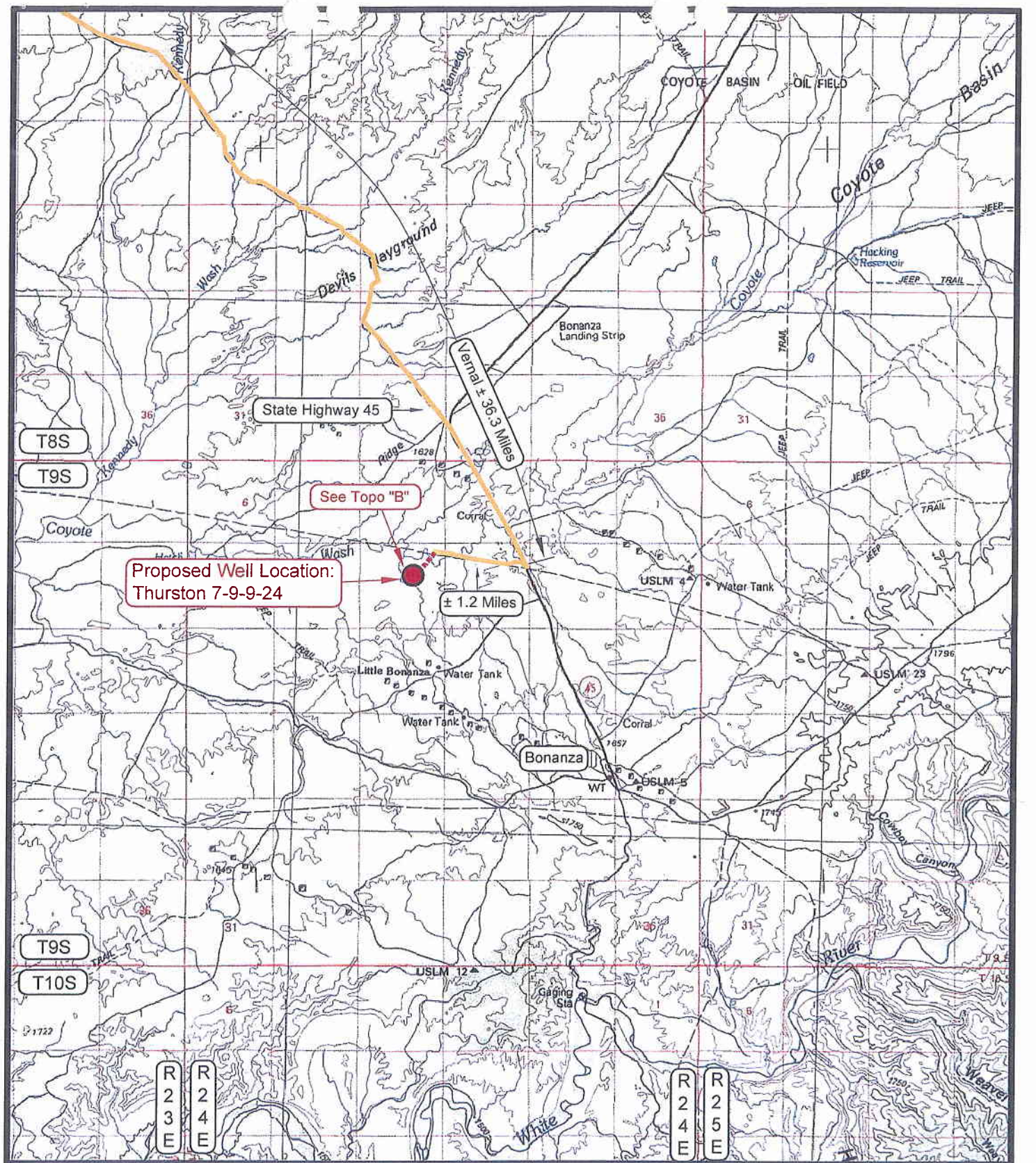
THURSTON ENERGY OPERATING COMPANY

TYPICAL PRODUCTION LAYOUT

THURSTON 7-9-9-24



Section 9, T9S, R24E, S.L.B.&M.	Qtr/Qtr Location: SW NE		Footage Location: 2056' FNL & 2061' FEL	
Date Surveyed: 10-16-05	Date Drawn: 11-3-05	Date Last Revision:	Timberline Land Surveying, Inc. (435) 789-1365 38 WEST 100 NORTH VERNAL, UTAH 84078	SHEET 6 OF 10
Surveyed By: K.R.K.	Drawn By: J.R.S.	Scale: 1" = 50'		



LEGEND

= PROPOSED WELL LOCATION

B-3430 = COUNTY ROAD CLASS & NUMBER

= EXISTING ROAD

= EXISTING ROAD (TO BE IMPROVED)

= PROPOSED ACCESS ROAD

N

THURSTON ENERGY OPERATING COMPANY

Thurston 7-9-9-24

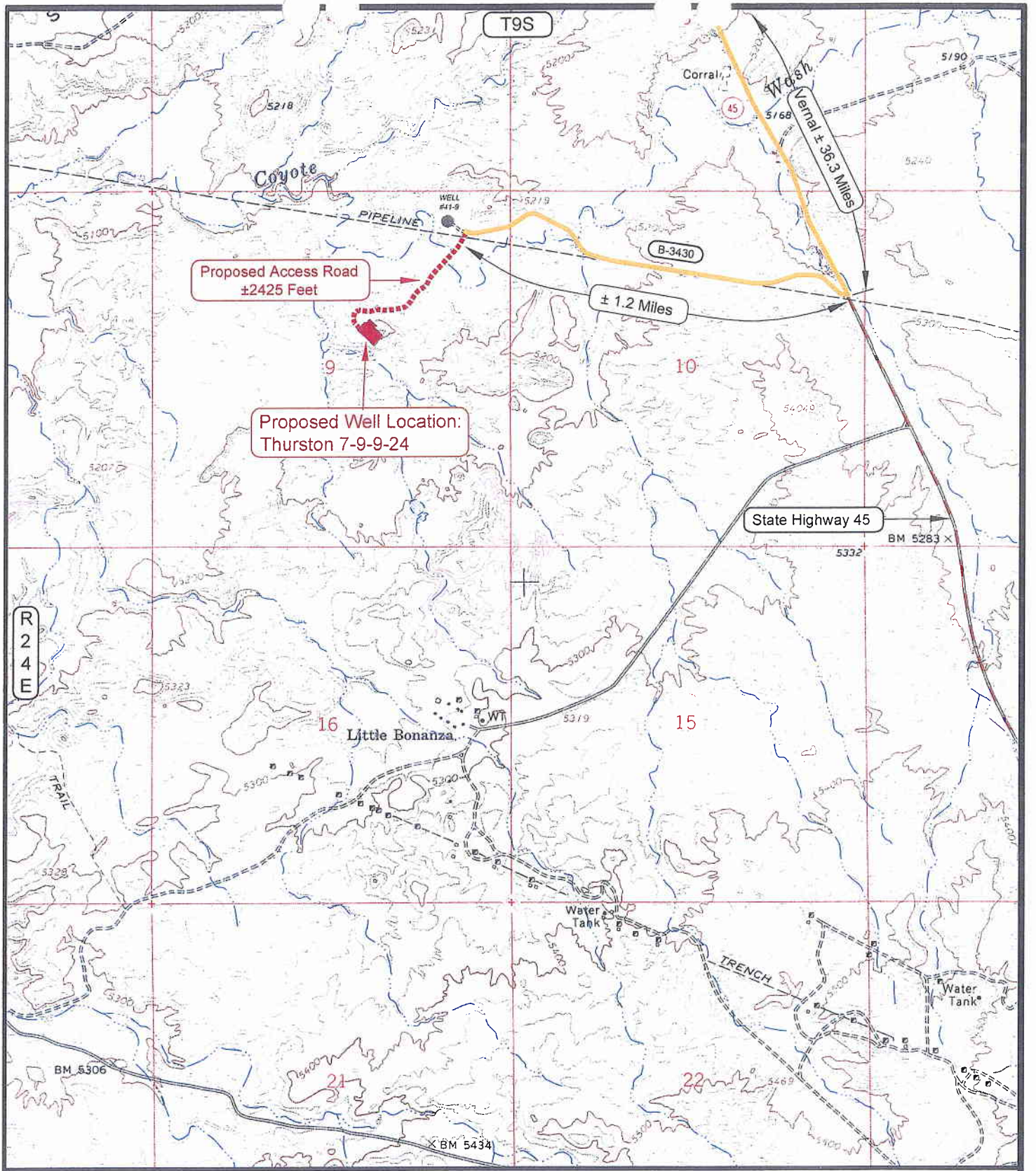
SECTION 9, T9S, R24E, S.L.B.&M.

2056' FNL & 2061' FEL

TOPOGRAPHIC MAP "A"		DATE SURVEYED: 10-16-05
		DATE DRAWN: 11-02-05
SCALE: 1:100,000	DRAWN BY: BJ.Z.	REVISED: 11-04-05 BJ.Z.

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET 7 OF 10



LEGEND

PROPOSED ACCESS ROAD
= SUBJECT WELL
= SHARED ACCESS
= EXISTING ROAD
= EXISTING ROAD (TO BE IMPROVED)
B-5460 = COUNTY ROAD CLASS & NUMBER
= LEASE LINE AND / OR PROPERTY LINE

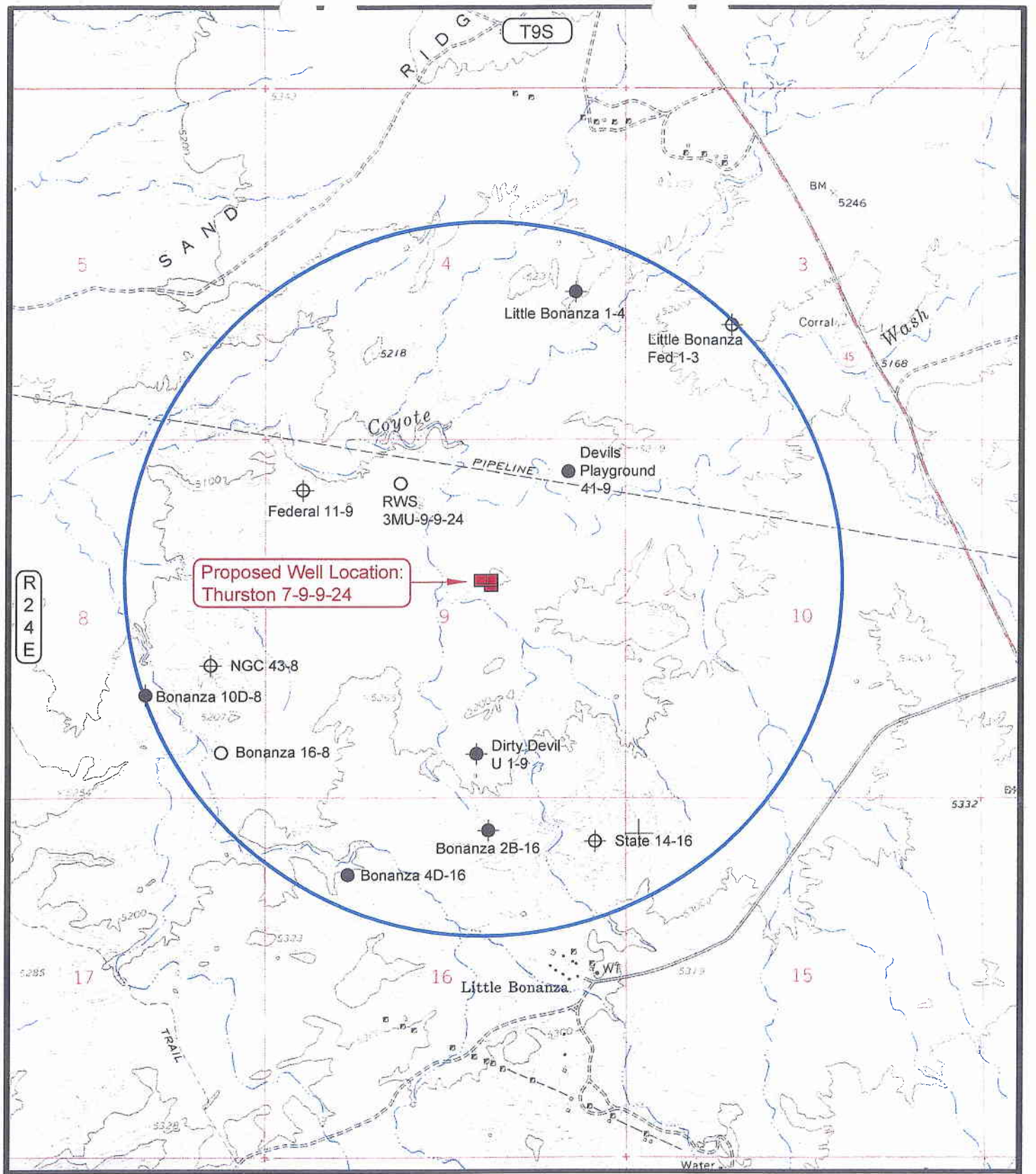
N

THURSTON ENERGY OPERATING COMPANY

Thurston 7-9-9-24
SECTION 9 , T9S, R24E, S.L.B.&M.
2056' FNL & 2061' FEL

TOPOGRAPHIC MAP "B"	DATE SURVEYED: 10-16-05
	DATE DRAWN: 11-02-05
SCALE: 1" = 2000' / DRAWN BY: BJ.Z.	REVISED:

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365



LEGEND

- ∅ = DISPOSAL WELL
- ● = PRODUCING WELL
- ● = SHUT IN WELL
- ○ = PROPOSED WELL
- ∅ = WATER WELL
- ● = ABANDONED WELL
- ● = TEMPORARILY ABANDONED WELL
- ⊕ = ABANDONED LOCATION

N

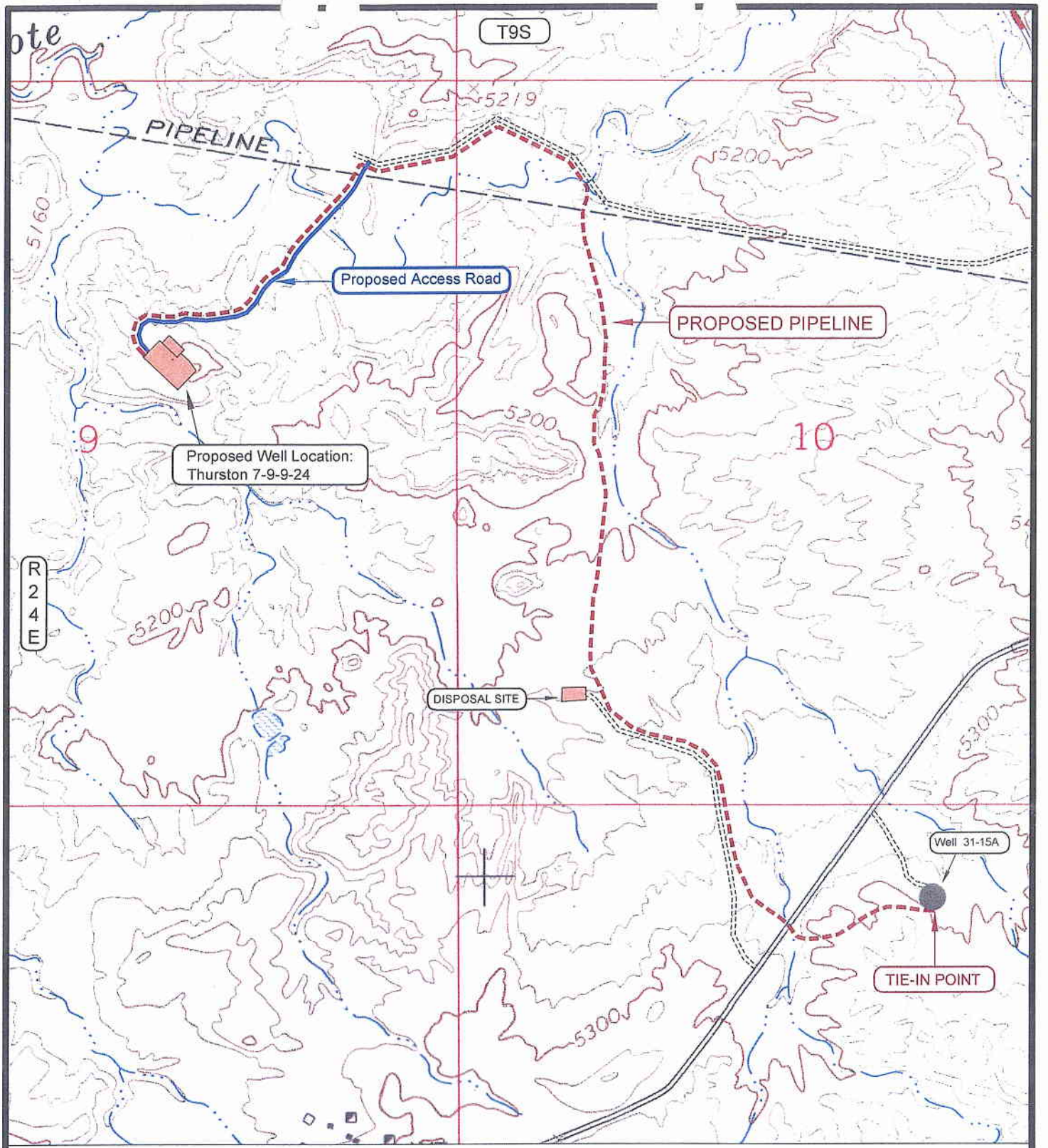
THURSTON ENERGY OPERATING COMPANY

Thurston 7-9-9-24
SECTION 9 , T9S, R24E, S.L.B.&M.
2056' FNL & 2061' FEL

TOPOGRAPHIC MAP "C"	DATE SURVEYED: 10-16-05
	DATE DRAWN: 11-02-05
SCALE: 1" = 2000' / DRAWN BY: BJ.Z.	REVISED: 11-04-05 BJ.Z.

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET 9 OF 10



APPROXIMATE PIPELINE LENGTH = 11,695 FEET

LEGEND

= OTHER PIPELINE
= PROPOSED PIPELINE
= PROPOSED ACCESS ROAD
= LEASE LINE AND / OR PROPERTY LINE

N

THURSTON ENERGY OPERATING COMPANY

Thurston 7-9-9-24
SECTION 9 , T9S, R24E, S.L.B.&M.
2056' FNL & 2061' FEL

TOPOGRAPHIC MAP "D"		DATE SURVEYED: 10-16-05
		DATE DRAWN: 11-03-05
SCALE: 1" = 1000'	DRAWN BY: BJ.Z.	REVISED: 01-26-06 M.W.W.

Timberline Land Surveying, Inc.
38 West 100 North Vernal, Utah 84078
(435) 789-1365

SHEET 10 OF 10

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/02/2010

API NO. ASSIGNED: 43-047-40625

WELL NAME: THURSTON 7-9-9-24

OPERATOR: THURSTON ENERGY (N2790)

PHONE NUMBER: 435-789-0968

CONTACT: WILLIAM RYAN

PROPOSED LOCATION:

SWNE 09 090S 240E

SURFACE: 2056 FNL 2061 FEL

BOTTOM: 2056 FNL 2061 FEL

COUNTY: UINTAH

LATITUDE: 40.05196 LONGITUDE: -109.21636

UTM SURF EASTINGS: 652144 NORTHINGS: 4434838

FIELD NAME: DEVILS PLAYGROUND (575)

INSPECT LOCATN BY: / /		
Tech Review	**Initials**	**Date**
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-5217

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB-000181)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. T75376)

N RDCC Review (Y/N)
(Date:)

N/A Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit:

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

___ R649-3-3. Exception

✓ Drilling Unit

Board Cause No: 179-15

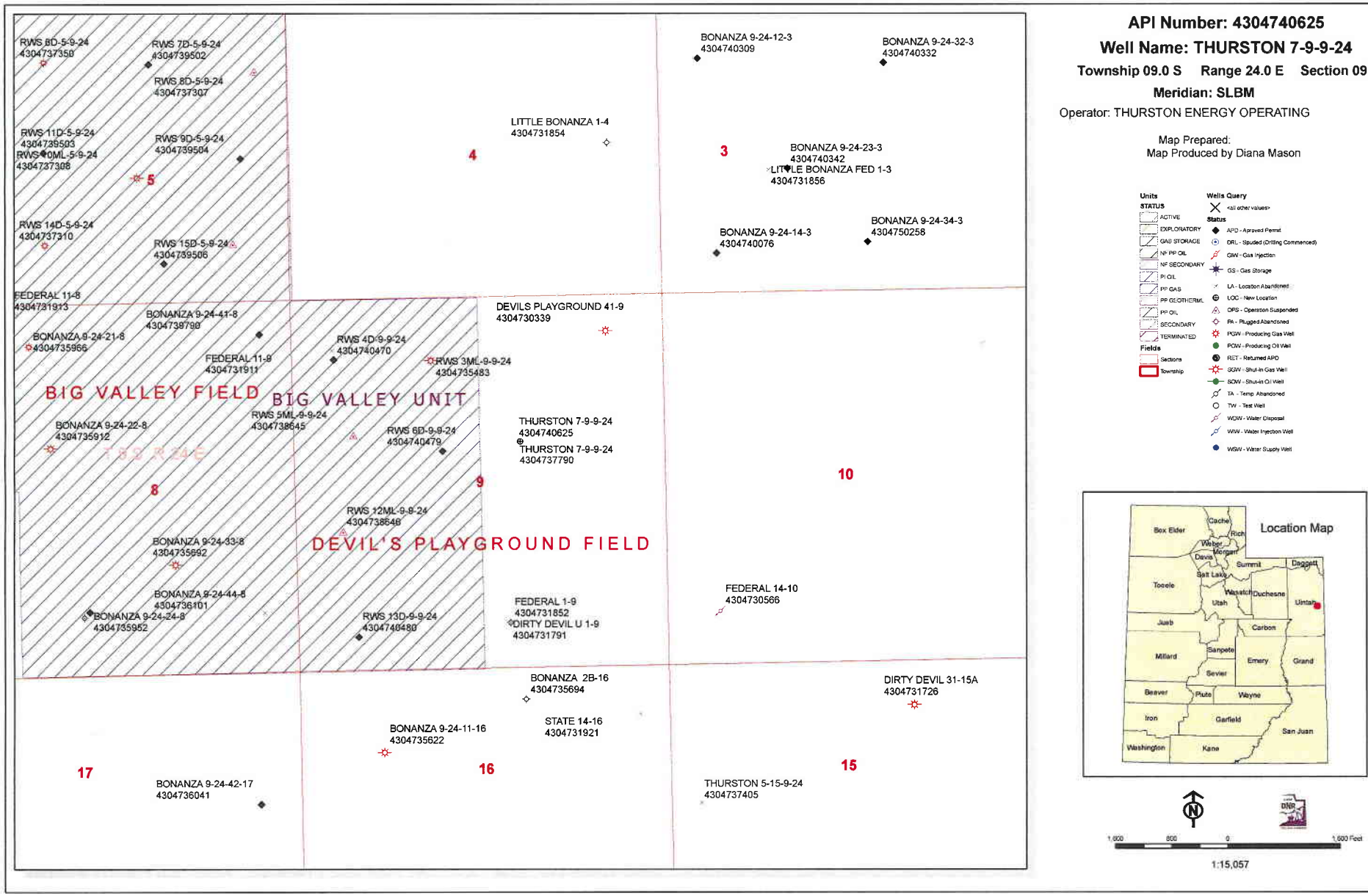
Eff Date: 7-17-2008

Siting: 460' fr ext. lease boundary

___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1-Federal Approval



API Number: 4304740625

Well Name: THURSTON 7-9-9-24

Township 09.0 S Range 24.0 E Section 09

Meridian: SLBM

Operator: THURSTON ENERGY OPERATING

Map Prepared:
Map Produced by Diana Mason

1,600 800 0 1,600 Feet

1:15,057

GARY R. HERBERT
Governor
GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES
MICHAEL R. STYLER
Executive Director
Division of Oil, Gas and Mining
JOHN R. BAZA
Division Director

March 3, 2010

Thurston Energy Operating Company
4925 Greenville Ave, Ste 900
Dallas, TX 75206

Subject: Thurston 7-9-9-24 Well, 2056' FNL, 2061' FEL, SW NE, Sec. 9, T. 9 South, R. 24 East, Uintah County, Utah

Ladies and Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40625.

Sincerely,

Gil Hunt
Associate Director

GLH/ js
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal Office

Operator: Thurston Energy Operating Company

Well Name & Number Thurston 7-9-9-24

API Number: 43-047-40625

Lease: U-5217

Location: SW NE **Sec.** 9 **T.** 9 South **R.** 24 East

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

   The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

   - Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please let a voicemail message if not available)
     OR
     Submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at http://oilgas.ogm.utah.gov

   Notify the Division prior to commencing operations to plug and abandon the well.

   - Contact Dustin Doucet at (801) 538-5281 office
     (801) 733-0983 after office hours

3. Reporting Requirements

   All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited:

   - Entity Action Form (Form 6) – due within 5 days of spudding the well
   - Monthly Status Report (Form 9) – due by 5th day of the following calendar month
   - Requests to Change Plans (Form 9) – due prior to implementation
   - Written Notice of Emergency Changes (Form 9) – due within 5 days
   - Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
   - Report of Water Encountered (Form 7) – due within 30 days after completion
   - Well Completion Report (Form 8) – due within 30 days after completion or plugging

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

for your information only

COPY

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

1. Type of Well ☐ Oil Well ☑ Gas Well ☐ Other	5. Lease Serial No. U-5217
	6. If Indian, Allottee or Tribe Name
	7. If Unit of CA/Agreement, Name and/or No.
	8. Well Name and No. Thurston 7-9-9-24
2. Name of Operator Thurston Energy Operating Company	9. API Well No. 43-047-40625
3a. Address 4925 Greenville Ave., Suite 900 Dallas, TX 75206 3b. Phone No. *(include area code)* 435-789-8580	10. Field and Pool or Exploratory Area Devil's Playground
4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)* 2056 '~~' FNL & 2061' FEL SWNE Sec. 9, T9S, R24E	11. Country or Parish, State Uintah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other _____
	☑ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	_____
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	_____

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Thurston Energy Operating Company is requesting the following changes in the surface casing; Size: 8-5/8" from 9-5/8"; wt 24 lb/ft from 36lb/ft. The grade will remain the same.
The cement design will be remain the same; but volumes will be increased from 197 sks lead cement to 260 sxs, and the tail cement will be increased from 159 sxs to 209 sxs. the cement volumes list are 50% excess as per the original design. The top job, if required will remain the same.

COPY SENT TO OPERATOR
Date: 8·25·2010
Initials: KS

RECEIVED
JUL 28 2010
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)* Patti A. Cox — Title Business Manager

Signature — Date 07/27/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by — Title Pet. Eng. — Date 8/12/10

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. — Office Dogm

Federal Approval Of This Action Is Necessary

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

for your information only

COPY

Form 3160-5
(August 2007)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE – *Other instructions on page 2.*

5. Lease Serial No.
U-5217

6. If Indian, Allottee or Tribe Name

7. If Unit of CA/Agreement, Name and/or No.

1. Type of Well
☐ Oil Well ☑ Gas Well ☐ Other

8. Well Name and No.
Thurston 7-9-9-24

2. Name of Operator
Thurston Energy Operating Company

9. API Well No.
43-047-40625

3a. Address
4925 Greenville Ave., Suite 900
Dallas, TX 75206

3b. Phone No. *(include area code)*
435-789-8580

10. Field and Pool or Exploratory Area
Devil's Playground

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
2056 '~~' FNL & 2061' FEL SWNE Sec. 9, T9S, R24E

11. Country or Parish, State
Uintah

12. CHECK THE APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
☑ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other _____
	☑ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Thurston Energy Operating Company is requesting the following changes in the surface casing; Size: 8-5/8" from 9-5/8"; wt 24 lb/ft from 36lb/ft. The grade will remain the same.
The cement design will be remain the same; but volumes will be increased from 197 sks lead cement to 260 sxs, and the tail cement will be increased from 159 sxs to 209 sxs. the cement volumes list are 50% excess as per the original design. The top job, if required will remain the same.

COPY SENT TO OPERATOR
Date: 8·25·2010
Initials: KS

RECEIVED
JUL 28 2010
DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct.
Name *(Printed/Typed)*
Patti A. Cox

Title Business Manager

Signature Patti A Cox

Date 07/27/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title Pet. Eng.

Date 8/12/10

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office DOGM

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(Instructions on page 2)

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **THURSTON ENERGY OPERATING**

Well Name: **THURSTON 7-9-9-24**

Api No: **43-047-40625** Lease Type **FEDERAL**

Section **09** Township **09S** Range **24E** County **UINTAH**

Drilling Contractor **PETE MARTIN DRLG** RIG # **BUCKET**

SPUDDED:

Date **08/24/2010**

Time **PM**

How **DRY**

Drilling will Commence:

Reported by **STACY WIMMER**

Telephone # **(970) 778-1035**

Date **08/24/2010** **Signed** **CHD**

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: Thurston Energy Operating Company

Operator Account Number: N 2790

Address: 365 W. 50 N. Suite W-8

city Vernal

state Ut zip 84078

Phone Number: (435) 789-8580

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304740625	Thurston 7-9-9-24		SWNE	9	9S	24E	Uintah
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	17771	8/28/2010			9/7/10	

Comments: MVRD

CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304740627	Thurston 5-15-9-24		SWNW	15	9S	24E	Uintah
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	17772	8/30/2010			9/7/10	

Comments: CSLGT = MVRD

CONFIDENTIAL

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304740626	Thurston 10-15-9-24		NWSE	15	9S	24E	Uintah
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
A	99999	17773	8/16/2010			9/7/10	

Comments: CSLGT = MVRD

CONFIDENTIAL

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Patti Cox
Name (Please Print)

Signature

Business Manager
Title

9/1/2010
Date

RECEIVED
SEP 01 2010
DIV. OF OIL, GAS & MINING

(5/2000)

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU 5217

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

8. WELL NAME and NUMBER: Thurston 7-9-9-24

2. NAME OF OPERATOR: Thurston Energy Operating Company

9. API NUMBER: 4304740625

3. ADDRESS OF OPERATOR: 365 W. 50 N Suite W-8 CITY Vernal STATE UT ZIP 84078

PHONE NUMBER: (435) 789-8580

10. FIELD AND POOL, OR WILDCAT: Devil's Playground

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2056' FNL 2061' FEL

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 9 T9S R24

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT (Submit in Duplicate)	☐ ACIDIZE	☐ DEEPEN	☐ REPERFORATE CURRENT FORMATION
Approximate date work will start:	☐ ALTER CASING	☐ FRACTURE TREAT	☐ SIDETRACK TO REPAIR WELL
	☐ CASING REPAIR	☑ NEW CONSTRUCTION	☐ TEMPORARILY ABANDON
	☐ CHANGE TO PREVIOUS PLANS	☐ OPERATOR CHANGE	☐ TUBING REPAIR
	☐ CHANGE TUBING	☐ PLUG AND ABANDON	☐ VENT OR FLARE
☑ SUBSEQUENT REPORT (Submit Original Form Only)	☐ CHANGE WELL NAME	☐ PLUG BACK	☐ WATER DISPOSAL
Date of work completion:	☐ CHANGE WELL STATUS	☐ PRODUCTION (START/RESUME)	☐ WATER SHUT-OFF
8/28/2010	☐ COMMINGLE PRODUCING FORMATIONS	☐ RECLAMATION OF WELL SITE	☑ OTHER: spud well
	☐ CONVERT WELL TYPE	☐ RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that we spudded the Thurston 7-9-9-24 well August 29, 2010 at 1:30 AM. Proper advance notice was given to jamie Sparger with BLM and Dave Hackford of the State of Utah as required.

NAME (PLEASE PRINT) Patti A. Cox TITLE Business Manager

SIGNATURE Patti A Cox DATE 9/2/2010

(This space for State use only)

RECEIVED
SEP 09 2010
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

API Well No: 43047406250000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: U-5217

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER: THURSTON 7-9-9-24

2. NAME OF OPERATOR: THURSTON ENERGY OPERATING

9. API NUMBER: 43047406250000

3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078
PHONE NUMBER: 214 704-3896 Ext

9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2056 FNL 2061 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 9/20/2010	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	✓ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find attached the daily summary for the drilling of the Thurston 7-9-9-24 well through September 20, 2010

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
November 09, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Russell H. Cox	435 789-8580	Operations Manager
SIGNATURE N/A		**DATE** 11/8/2010

RECEIVED November 08, 2010

Thurston Energy Operating Company

Thurston 7-9-9-24 API: 43-047-40625

2056' FNL 2061' FEL Sec. 9, T9S, R24E Uintah County, Utah

14" at 40'; 8 5/8" @ 2006'

9/15/10 – PO: Get mud weight back up and kill water flow. Drilled 7 7/8" hole from 5807' to 6826' (1016) in 18 hours. Surveys: 4° @ 5765'; 2.5° @ 6292', Got water flow which diluted back mud weight and getting gas also. Shut well in and built up to 100 psi. Working to get mud weight back up to 9.5 ppg and monitor hole conditions before returning to drilling. Once mud weight is 9.5 ppg will shut down and monitor for flow, if no flow go back to drilling, if there is still flow, shut in well and get pressure build up so can add additional weight to control water flow,

9/16/10 – Drilling ahead to TD. Built mud weight back up to 9.5 ppg, flow check well, ½" flow. Shut in well for 15 mins and 0 psi. Drilled 7 7/8" hole from 6826 to 7640' (814) in 16 hrs., survey: 5° @ 7146', 6° @ 7391', current mud weight up to 9.9 ppg. Projected TD @ 7974', plan to drill to 8000' (approved TD), circulate hole, POOH to log

9/17/10 – POOH to log. Drilled 7 7/8" hole from 7640' to 8000' (360') in 8.5 hrs, circ well. Flow check and well flowing, increase weight to 10.4 ppg, flow check, well still flowing, increase weight to 10.7+, flow check, well still flowing, spot 11.2 ppg pill, poh to 6500', flow check – no flow, spot 11.3 pill, poh to 2801 @ report time. Finish POH and run triple Combo and MRIL.

9/18/10 – poh TO LOG. U WL, log with Triple Combo 7995' to surface. Run MRIL and hit bridge @ 3875', RDWL, RIH to bridge, hit bridge and felt like pushing something down hole, circulated mud @ 6050', TIH and push to 7995', TOH, CIRC, POH

9/19/10 – POH and LDDP. Finish POH, RU and run MRIL log, RD loggers, TIH, CIRC out gas @ 4420 and 6496', RIH to 7813' and wash and ream to 8000', circ out gas and condition mud, flow check.

9/20/10 – Rig Released @ 0600, 9/20/2010. FPOH, RU and run 5 ½", 17# N-80, LTC casing to 8000' with FC @ 7915', cemented w/lead 200 sxs HLC and tail 1180 sxs 50/50 Poz., displacrf w/3% KCL, pumped plug @ 2495 psi, released pressure – floats held. Set casing slips w/88 klbs, ND BOP, make rough cut, set BOP down, begin ND and clean mud tanks, release rig

RECEIVED November 08, 2010

API Well No: 43047406250000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: U-5217

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
THURSTON 7-9-9-24

2. NAME OF OPERATOR:
THURSTON ENERGY OPERATING

9. API NUMBER:
43047406250000

3. ADDRESS OF OPERATOR:
365 W. 50 N. Ste W-8 , Vernal, UT, 84078

PHONE NUMBER:
214 704-3896 Ext

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4. LOCATION OF WELL
FOOTAGES AT SURFACE:
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Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY:
UINTAH

STATE:
UTAH

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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find attached the drilling and completion summary report for this new well construction through November 8, 2010.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
November 09, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Russell H. Cox	435 789-8580	Operations Manager
SIGNATURE		**DATE**
N/A		11/9/2010

RECEIVED November 09, 2010

Monday, 11/8/2010
7-9
Pump 6 more perf break downs on 7-9 and trip out of hole.
Report attached

Friday, 11/5/2010
Current: Wait on rig from 5-15

24hr: MIRU workover rig from 5-15, TIH with tubing and injection packer, set to breakdown perfs (Need HHP and van)

Thursday, 11/4/2010
Waiting on rig to run tubing w/ PIP tool for break down, rig from 10-15

Wednesday, 11/3/2010
All,

Yesterday AM the well had 900 psi, but no personnel was available to assess sustainability of gas cap. Wait on rig.

Today we will attempt to make it over to location, open op the well and see how pressure responds or if fluid reaches surface and a decision will be made as to rather bleed off pressure or attempt to divert to sales.

Tuesday, 11/2/2010
All,

Yesterday we RIH with e-line, set CIBP at 7390 ft, RIH with dump bailer and two sacks of cement on dump on top of plug (PBTD = 7373 ft), RIH with perf guns and shoot Neslen formation. RDMO E-line.

As of this morning there is over 900 psi on the wellhead. We will attempt to divert flow to sales if we can sustain line pressure.

Monday, 11/1/2010
All,

Saturday we pressure tested the frac valve to 5000 psi and waited on e-line work.

Sunday we a late start due to DOT reset and difficult time finding location (e-line). NU lubricator and BOP, round trip with gauge / ring basket, hole clean.

Today we will set the CIBP above the Sego perfs, dump bail cement, and then shoot the Neslen perforations. RDMO e-line.

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Saturday, 10/30/2010
All,

Yesterday there was 900 psi on casing, blew off gas cap and reverse kill well. RD frac valve, NU BOP's and start / finish laying down tubing. ND BOP's, NU frac valve and RDMO workover rig.

Today we wait one E-line work scheduled for Sunday. Possibly MI E-line truck and crane.

Friday, 10/29/2010
All,

Yesterday MIRU workover rig and finish filling tanks with 3% KCl.

Today we TOOH with tubing to lay down and RDMO workover rig.

Thursday, 10/28/2010
All,

Yesterday we continued swabbing the well. AM pressure was 650 psi on tubing and 800 psi on the casing with a fluid level of 3800 ft. Made 12 swab runs and recovered 132 bbls, swabbing the fluid level down to 6600 ft. Final pressure was 0 psi on the tubing and 500 psi on the casing. Unsustainable gas flow. Release swab unit.

Today we MIRU workover rig and TOOH with production tubing laying down.

Wednesday, 10/27/2010
All,

Yesterday we continued swabbing the well. AM pressure was 550 psi on tubing and 800 psi on the casing with a fluid level of 3600 ft. Made 13 swab runs and recovered 173 bbls, swabbing the fluid level down to 6800 ft. Final pressure was 0 psi on the tubing and 400 psi on the casing. Unsustainable gas flow.

Today we will make one final swabbing attempt on the Sego zone (get first and last fluid samples) and if the well does not kickoff then we will RDMO swab unit and begin dialogue on next up-hole completion.

Tuesday, 10/26/2010
All,

Yesterday we continued swabbing the well. AM pressure was 650 psi on tubing and 900 psi on the casing with a fluid level of 3600 ft. Made 13 swab runs and recovered 192 bbls, swabbing the fluid level

RECEIVED November 09, 2010

down to 6900 ft. Final pressure was 0 psi on the tubing and 500 psi on the casing. Unsustainable gas flow.

Today we continue swabbing until decision is made to leave or pull swab unit.

Sunday, 10/24/2010
Good Evening,

On Friday we continued swabbing well (please see executive summary on pdf report – my apologies). Morning tubing pressure was 500 psi and casing was 1200 psi and fluid level at 2400 ft. Made 12 swab runs, recovered 200 Bbls. Final tubing pressure was 0 psi and casing was 600 psi, had a couple gas kicks and final fluid level was 5800 ft.

On Saturday we continued swabbing the well. Morning tubing pressure was 650 psi and casing was 1100 psi and first fluid level was 2400 ft. Made 13 swab runs, recovered 210 Bbls. Final tubing pressure was 0 psi and casing was 400 psi and final fluid level was 6300 ft. Well tried to kickoff flow in the AM but could not sustain.

On Sunday (Today) we continued swabbing the well. Morning tubing pressure was 700 psi and casing was 900 psi and fluid level at 2300 ft. Made 12 swab runs recovering 192 bbls. Final tubing pressure was 0 psi and casing was 600 psi and final fluid level at 7000 ft.

Tomorrow we discuss weekend swab results as a technical team and make decisions on how to move forward with the well while continuing to swab at least one more day.

Friday, 10/22/2010
All,

Yesterday we had 1100 psi on the casing and 750 psi on the tubing, with the first fluid level at 2400 ft. This is encouraging news, we are starting to build up tubing pressure and see our fluid level decrease. In 12 swab runs we recovered 200 Bbls and had a final fluid level of 5800 ft. Well kicked gas a few times but wouldn't sustain.

Today we continue swabbing.

Thursday, 10/21/2010
All,

Yesterday there was 1400 psi on the casing and 0 psi on the tubing. The first fluid level had dropped to 1500 ft, and we made 13 swab runs recovering 210 bbls and drew the final casing pressure down to 400 psi. There were three good gas kicks, but they died each time.

Today we continue swabbing well on.

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Wednesday 10/20/2010
All,

Yesterday there was 1400 psi casing and 0 psi on the tubing. We continued swabbing the well, first fluid level was seen at 800 ft, made 11 swab runs and recovered 198 bbls with final fluid level seen at 1500 ft. In the last two days we have swabbed a total of 250 bbls, which exceeds the 150 bbls pumped during cleanout and we should be around 100% frac load recovered.

Today we continue swabbing to try and kickoff gas flow.

Tuesday, 10/19/2010
All,

Yesterday there was 0 psi on the tubing and 1200 psi on the casing. MIRU swab unit, 6 runs made, 52 Bbls fluid recovered. Well blows but dies down after swab runs.

Today we continue swabbing on well to kickoff gas flow.

All,

I think we've given the sego a valiant try in sec 15. I'm suggesting we forego the frac on the sego on the 5-15 and move uphole. Just my opinion.

Mike Mullen

Monday, 10/18/2010
All,

Yesterday continued flowing well to facilities.

This morning there is 0 psi on the tubing so today we may decide to rig up on the well and start swabbing. Due to weather conditions it may be beneficial to keep the rig on this location anyways.

Sunday 10/17/2010
All,

Yesterday the well continued flowing to facilities, unloading workover fluids.

Saturday, 10/16/2010
All,

Yesterday we drilled through the plug at 7350 ft and cleaned out the wellbore down to PBTD of 7650 ft (tagged fill at 7550 ft). We performed rig work incorporating a foam unit to keep the hydrostatic and

invasion off of the Sego perfs. ND BOP, NU production tree. Pumped off bit, hung tubing off at 7363 ft with 400 psi on backside. Well flowing back foam.

Today we continue monitoring the well clean itself up and attempt to kickoff gas flow. Currently there is 1000 psi on the backside built up and the well is still flowing back foam and water.

Friday, 10/15/2010
All,

Yesterday we MIRU E-line, round tripped a gauge ring and junk basket tagging fill at 7528 ft (65 ft below bottom perf). Out with GR/JB, PU composite plug and set at 7350 ft. RDMO E-line. Start in with tubing and bit, tagged plug. Wait to drill in AM.

Today we drill through plug utilizing a foam unit and then clean sand fill to PBTD. TOOH to 1.5 joints above top perf and hang off tubing. Begin swabbing well back in if necessary.

Thursday, 10/14/2010
All,

Yesterday we MIRU workover rig, eqpt, and rigged up power swivel. We continued to flow the well to facilities waiting on e-line.

Today MIRU e-line, roundtrip gauge ring/ junk basket, tag fill, run in hole with composite plug and set, NU BOP's, and start in hole with tubing and mill.

Wednesday, 10/13/2010
All,

Well continues flowing.

Today we MIRU workover rig, wait on e-line, and continue to flow well to facilities.

Tuesday, 10/12/2010
All,

Well flowing

Today. Continue flowing, possibly MIRU workover rig. Attempting to line up foam unit.

Monday, 10/11/2010
All,

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Today the well continued flowing through facilities and we received a water sample analysis. The first 3 samples are from the 10-15 swabbing and the final sample if flowback from the 7-9.

Tomorrow we continue allowing the well to flow.

Sunday 10/10/2010
All,

Yesterday we continued flowing the well and chaged orifice plats in the sales and surface meters.

Today we continue flowing the well.

Saturday 10/9/2010
All,

Yesterday the flow testers rigged down and all flow was diverted to surface facilities. Final flowback report attached. Continued allowing well to flow to facilities.

Flow test totals:

735 Mcf gas
21 Bbls oil – Most transferred to production tanks, irreducible in flat tank drained to pit
1621 Bbls water (68% of frac load)

Today we continue allowing well to flow to facilities.

Friday, 10/8/2010
All,

Yesterday we continued flowing back the well. Gas flow continued to sales. Yesterday we sold 126 Mcf of gas in the 24 hour period 6AM-6AM. We have recovered 1612 bbls water, or 68% of the frac load and continue to produce at 180 psi casing pressure on the 24 choke. We also produced more oil yesterday, another 8 bbls, totaling 30 bbls of oil produced. Fluid samples have been pulled.

Today we RDMO flow testers and divert all flow to surface facilities.

Thursday, 10/7/2010
All,

Yesterday we continued flowing back the well. Gas flow was diverted to the sales line at 830AM MST and we had our first gas sales from this well! Yesterday we sold ~117 Mcf of gas between 830 AM and 600 AM this morning. We have recovered 1495 bbls water, or 63% of the frac load and continue to

produce at 200 psi casing pressure on the 24 choke. We also produced more oil yesterday, another 7 bbls, totaling 12 bbls of oil produced.

Today we will allow the well to send fluids to the test separator for one final day, and then release the flowback crew tomorrow. All flow will be diverted to the surface facilities on location and water samples as well as oil samples will be taken for analysis.

Wednesday, 10/6/2010
All,

Yesterday we continued flowing back the well. We have recovered 1367 bbls water, or 57% of the frac load and continue to produce ~130-150 Mcf/day (464 Mcf total flared) at 225 psi casing pressure on the 24 choke. We also produced more oil yesterday, another 3 bbls, totaling 5 bbls of oil produced. Our salinity continues to increase indicating we are getting more formation fluid.

Today we will continue flowing back the well attempting to plumb as into the sales line but continuing fluids through the well testers. If the well can buck line pressure and keep flowing strong then we will turn fluids over to surface facilities as well and RDMO flow testers.

Tuesday, 10/5/2010
All,

Yesterday we continued flowing back the well. We have recovered 1209 bbls of fluid, or 51% of the load, and continue to produce ~150 Mcf/day (321 Mcf total flared) at 170 psi casing pressure on a size 24 choke. We also saw some condensate break through and we have recovered 2 bbls of oil.

Today we continue flowing back the well. (This morning flare pics attached. Also, report number 11 attached, accidently send 10 yesterday).

Monday, 10/4/2010
All,

Yesterday we continued flowing back the well with great results. We continue to maintain 165 psi casing pressure on a size 24 choke (started on a size 12), flowing back ~10 bp, with gas rates in excess of 140 Mcf/day. There was a 2-hr period in the last 24 hours where we maintained a gas rate of 212 Mcf/day. Cumulative totals after 40 hours of testing: 173 mcf gas, 1020 bbls water (43% of frac load).

Today we continue flowing back the well (Pics of gas flare attached).

Sunday, 10/3/2010
All,

Yesterday we frac'd the Sego formation and turned the well over to flowback. The choke was changed to up to a size 24 over PM, wellhead pressure down to 340 psi, and we have flowed back 649 bbls water. At

5:30 this morning we had gas in returns and diverted flow through the test separator and lit the flare! Pics attached of the flare stack on location – First gas production!. At 6AM this morning we were producing at an equivalent rate of 156 MCF/day.

Today we continue flowing back the well, measuring and flaring gas. There will be another flowback report to send out this evening.

Saturday, 10/2/2010

We finished pumping the Sego frac ~1100 AM this morning. This job seemed to treat better than the Sego frac on the 10-15 well. We saw a significant formation breakdown at ~5400 psi to 2700 psi (as expected since there was no DFIT), slowly pumped the acid across the perfs and saw some pressure response (decline). The rate was brought up to ~50 bpm, the nolte plot first indicated height growth before maintaining good extension throughout the rest of the job (incorporating some noise in the data of course). Treating pressure followed inverse hydrostatic until the tail end when we started seeing some net pressure effects and possibly a little more height growth -- my interpretation. The opening wellhead pressure at the start of the job was 748 psi and the ISIP was 2794 psi. On the 10-15 the ISIP was 2727. The 15 minute pressure was 419 psi compared to 562 psi on the 10-15 (perhaps a little tighter). FG = 0.82, avg Pressure = 4694 psi, max pressure = 5566 psi, total fluid = 99,858 gallons, total proppant = 66,700 lbs.

I would say the job was highly successful and I think we put a slightly better frac on this well than we did on the 10-15 (formation dictated). The flow testers will send out 12 hour reports on this well, which I will distribute. The 10-15 well continues to flow ~50 psi on a size 24 choke (I expect this will die soon). Once it dies we will shut the well in, remove the choke and attempt to free flow any remaining wellhead pressure. We are starting the 7-9 on a size 12 choke and it is flowing back ~1 bpm frac water.

Post Jobs attached with executive summaries for both wells. (Note: CD's with the executive summary were provided by HES immediately after the frac today. The ISIP for the 7-9 was entered incorrectly, the executive summary states that 3794 psi, but it was a simple typo and is supposed to be 2794. Obviously this also effects the Frac Gradient calculation. I have fixed it on the file I attached so please save this copy.)

Attached is the flowback report for the Thurston 7-9 well. Another will be sent out in the AM. Load left to recover is not calculated because we failed to make the flowback crew aware of the volume pumped. It will be correct on the morning report.

All,

Yesterday we ran in with a gauge ring and junk basket (minimum best practice before running a plug) and saw no obstruction down to 7750 (100 ft below plug depth). TOOH with GR/JB, rehead tools with 10K cast iron bridge plug and baker 20 setting tool. Two correlation strips ran, plug set at 7650 ft (68 seconds to set—slow burning charges good). TOOH with setting tool, make up 3-3/8" guns, 3 spf, 120 degree phasing. Correlated with guns in two strips and perforated the Sego formation from 7460 – 7463, 7440 – 7443, and 7420 – 7423 ft. TOOH with spent guns, all shots fired. Normally, we would have dumped bailed cement on top of the plug before perforating but tools had to be hotshot from Grand Junction since we were dumping under pressure. Tools arrived, filled dump bailer with one sack of cement, TIH to tag CIBP and reciprocate e-line to ensure cement is dumped. TOOH with dump bailer, lay

down tools, lay down lubricator, RDMO e-line. During e-line operations flow testers moved in and started rigging up their facilities and iron and sand haulers began filling mountain mover with 30/50 sand.

Today we install the wellhead isolation tool, finish MIRU flow testers, MIRU frac eqpt, pressure test all lines and then frac the Sego formation with ~94K gallons of 3% KCl with HPT-1 polymer (relative perm modifier) and ~60K lbs of 30/50 sand. RDMO wellhead isolation tool and frac, open well up to flow testers and flowback.

Friday, 10-1-2010
And of course that last set of perfs shout be 7460 – 7463. I'll get right eventually. My mistake.

All the noted depths below are 1000 ft lower than they are supposed to be. My mistake. The plug depths is 7650 ft and the perf depths are 7420 – 7423, 7440 – 7443, and 7640 – 7643. The field understands the correct depths, in fact, it was the Wellsite supervisor (Neil) who made me aware of my typo's. Thanks.

All,

Yesterday we removed the EMR gauges for analysis and rigged down the wellhead isolation tool. The DFIT data came back and showed immeasurable permeability (low), very high process zone stress indicating fracture difficulty and possibly poor production potential, and a high fracture gradient at 1.17 psi/ft. Although there is some reservoir pressure, the decision was made to forego a Castle Gate frac for the time being and move up to the Sego that showed a good DFIT on the 10-15.

Today we will rig up e-line to run in and set a CIBP at ~6650 (about 100 ft above current perfs and 200 ft below tentative Sego perfs), dump bail one sack of cement on top, and then perforate the Sego formation from 6420 – 6423, 6440 – 6443, and 6460 – 6463. If time and personnel permit then we will begin rigging up wellhead isolation tool and pumping eqpt for the frac scheduled for tomorrow morning.

Thursday 9-30-2010
All,

Yesterday we rigged up the wellhead isolation tool and spotted pumping eqpt to pump a DFIT on the Castle Gate formation. After pressure testing lines and putting 1000 psi backside pressure we pumped the DFIT seeing a formation breakdown at 5880 psi that never broke back, pressure went sideways around 5800 psi. ISIP was 5690 psi and 60 minutes pressure was 3636 psi. EMR gauges left on well overnight for pressure data.

Today we remove EMR gauges and rig down the wellhead isolation tool to move to the 10-15. The pressure data will be sent to HES tech team ASAP and analyzed to assess the potential of the Castle Gate zone.

Wednesday 9-29-2010
All,

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Again I acknowledge that the numbering of the reports is still funny and I will work on getting this issue resolved once the fracs are complete and operations have eased up a bit. Yesterday we waited on Stinger's wellhead isolation tool to pump DFIT while finishing up facilities. The well had 2125 psi on it.

Today we already have Stinger on location and are currently rigging up there isolation tool to the wellhead/frac valve. We have pumping eqpt on location and will soon begin pumping the DFIT. Max pressure on the backside is 1700 psi and max pressure on the 5.5" casing is 8200 psi. It should not take this much pressure to break the formation down. We will leave the well shut in for a 24 hour period and pull the gauges tomorrow morning for pressure transient analysis.

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API Well No: 43047406250000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

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7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER: THURSTON 7-9-9-24

2. NAME OF OPERATOR: THURSTON ENERGY OPERATING

9. API NUMBER: 43047406250000

3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078
PHONE NUMBER: 214 704-3896 Ext

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	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find attached the daily summary for the drilling of the Thurston 7-9-9-24 well through September 20, 2010

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
November 09, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Russell H. Cox	435 789-8580	Operations Manager
SIGNATURE N/A		**DATE** 11/8/2010

RECEIVED November 08, 2010

Thurston Energy Operating Company

Thurston 7-9-9-24 API: 43-047-40625

2056' FNL 2061' FEL Sec. 9, T9S, R24E Uintah County, Utah

14" at 40'; 8 5/8" @ 2006'

9/15/10 – PO: Get mud weight back up and kill water flow. Drilled 7 7/8" hole from 5807' to 6826' (1016) in 18 hours. Surveys: 4° @ 5765'; 2.5° @ 6292', Got water flow which diluted back mud weight and getting gas also. Shut well in and built up to 100 psi. Working to get mud weight back up to 9.5 ppg and monitor hole conditions before returning to drilling. Once mud weight is 9.5 ppg will shut down and monitor for flow, if no flow go back to drilling, if there is still flow, shut in well and get pressure build up so can add additional weight to control water flow,

9/16/10 – Drilling ahead to TD. Built mud weight back up to 9.5 ppg, flow check well, ½" flow. Shut in well for 15 mins and 0 psi. Drilled 7 7/8" hole from 6826 to 7640' (814) in 16 hrs., survey: 5° @ 7146', 6° @ 7391', current mud weight up to 9.9 ppg. Projected TD @ 7974', plan to drill to 8000' (approved TD), circulate hole, POOH to log

9/17/10 – POOH to log. Drilled 7 7/8" hole from 7640' to 8000' (360') in 8.5 hrs, circ well. Flow check and well flowing, increase weight to 10.4 ppg, flow check, well still flowing, increase weight to 10.7+, flow check, well still flowing, spot 11.2 ppg pill, poh to 6500', flow check – no flow, spot 11.3 pill, poh to 2801 @ report time. Finish POH and run triple Combo and MRIL.

9/18/10 – poh TO LOG. U WL, log with Triple Combo 7995' to surface. Run MRIL and hit bridge @ 3875', RDWL, RIH to bridge, hit bridge and felt like pushing something down hole, circulated mud @ 6050', TIH and push to 7995', TOH, CIRC, POH

9/19/10 – POH and LDDP. Finish POH, RU and run MRIL log, RD loggers, TIH, CIRC out gas @ 4420 and 6496', RIH to 7813' and wash and ream to 8000', circ out gas and condition mud, flow check.

9/20/10 – Rig Released @ 0600, 9/20/2010. FPOH, RU and run 5 ½", 17# N-80, LTC casing to 8000' with FC @ 7915', cemented w/lead 200 sxs HLC and tail 1180 sxs 50/50 Poz., displacrf w/3% KCL, pumped plug @ 2495 psi, released pressure – floats held. Set casing slips w/88 klbs, ND BOP, make rough cut, set BOP down, begin ND and clean mud tanks, release rig

RECEIVED November 08, 2010

API Well No: 43047406250000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: U-5217

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
THURSTON 7-9-9-24

2. NAME OF OPERATOR:
THURSTON ENERGY OPERATING

9. API NUMBER:
43047406250000

3. ADDRESS OF OPERATOR:
365 W. 50 N. Ste W-8 , Vernal, UT, 84078

PHONE NUMBER:
214 704-3896 Ext

9. FIELD and POOL or WILDCAT:
DEVILS PLAYGROUND

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
2056 FNL 2061 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 11/8/2010	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	✓ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please find attached the drilling and completion summary report for this new well construction through November 8, 2010.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
November 09, 2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Russell H. Cox	435 789-8580	Operations Manager
SIGNATURE		**DATE**
N/A		11/9/2010

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Monday, 11/8/2010
7-9
Pump 6 more perf break downs on 7-9 and trip out of hole.
Report attached

Friday, 11/5/2010
Current: Wait on rig from 5-15

24hr: MIRU workover rig from 5-15, TIH with tubing and injection packer, set to breakdown perfs (Need HHP and van)

Thursday, 11/4/2010
Waiting on rig to run tubing w/ PIP tool for break down, rig from 10-15

Wednesday, 11/3/2010
All,

Yesterday AM the well had 900 psi, but no personnel was available to assess sustainability of gas cap. Wait on rig.

Today we will attempt to make it over to location, open op the well and see how pressure responds or if fluid reaches surface and a decision will be made as to rather bleed off pressure or attempt to divert to sales.

Tuesday, 11/2/2010
All,

Yesterday we RIH with e-line, set CIBP at 7390 ft, RIH with dump bailer and two sacks of cement on dump on top of plug (PBTD = 7373 ft), RIH with perf guns and shoot Neslen formation. RDMO E-line.

As of this morning there is over 900 psi on the wellhead. We will attempt to divert flow to sales if we can sustain line pressure.

Monday, 11/1/2010
All,

Saturday we pressure tested the frac valve to 5000 psi and waited on e-line work.

Sunday we a late start due to DOT reset and difficult time finding location (e-line). NU lubricator and BOP, round trip with gauge / ring basket, hole clean.

Today we will set the CIBP above the Sego perfs, dump bail cement, and then shoot the Neslen perforations. RDMO e-line.

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Saturday, 10/30/2010
All,

Yesterday there was 900 psi on casing, blew off gas cap and reverse kill well. RD frac valve, NU BOP's and start / finish laying down tubing. ND BOP's, NU frac valve and RDMO workover rig.

Today we wait one E-line work scheduled for Sunday. Possibly MI E-line truck and crane.

Friday, 10/29/2010
All,

Yesterday MIRU workover rig and finish filling tanks with 3% KCl.

Today we TOOH with tubing to lay down and RDMO workover rig.

Thursday, 10/28/2010
All,

Yesterday we continued swabbing the well. AM pressure was 650 psi on tubing and 800 psi on the casing with a fluid level of 3800 ft. Made 12 swab runs and recovered 132 bbls, swabbing the fluid level down to 6600 ft. Final pressure was 0 psi on the tubing and 500 psi on the casing. Unsustainable gas flow. Release swab unit.

Today we MIRU workover rig and TOOH with production tubing laying down.

Wednesday, 10/27/2010
All,

Yesterday we continued swabbing the well. AM pressure was 550 psi on tubing and 800 psi on the casing with a fluid level of 3600 ft. Made 13 swab runs and recovered 173 bbls, swabbing the fluid level down to 6800 ft. Final pressure was 0 psi on the tubing and 400 psi on the casing. Unsustainable gas flow.

Today we will make one final swabbing attempt on the Sego zone (get first and last fluid samples) and if the well does not kickoff then we will RDMO swab unit and begin dialogue on next up-hole completion.

Tuesday, 10/26/2010
All,

Yesterday we continued swabbing the well. AM pressure was 650 psi on tubing and 900 psi on the casing with a fluid level of 3600 ft. Made 13 swab runs and recovered 192 bbls, swabbing the fluid level

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down to 6900 ft. Final pressure was 0 psi on the tubing and 500 psi on the casing. Unsustainable gas flow.

Today we continue swabbing until decision is made to leave or pull swab unit.

Sunday, 10/24/2010
Good Evening,

On Friday we continued swabbing well (please see executive summary on pdf report – my apologies). Morning tubing pressure was 500 psi and casing was 1200 psi and fluid level at 2400 ft. Made 12 swab runs, recovered 200 Bbls. Final tubing pressure was 0 psi and casing was 600 psi, had a couple gas kicks and final fluid level was 5800 ft.

On Saturday we continued swabbing the well. Morning tubing pressure was 650 psi and casing was 1100 psi and first fluid level was 2400 ft. Made 13 swab runs, recovered 210 Bbls. Final tubing pressure was 0 psi and casing was 400 psi and final fluid level was 6300 ft. Well tried to kickoff flow in the AM but could not sustain.

On Sunday (Today) we continued swabbing the well. Morning tubing pressure was 700 psi and casing was 900 psi and fluid level at 2300 ft. Made 12 swab runs recovering 192 bbls. Final tubing pressure was 0 psi and casing was 600 psi and final fluid level at 7000 ft.

Tomorrow we discuss weekend swab results as a technical team and make decisions on how to move forward with the well while continuing to swab at least one more day.

Friday, 10/22/2010
All,

Yesterday we had 1100 psi on the casing and 750 psi on the tubing, with the first fluid level at 2400 ft. This is encouraging news, we are starting to build up tubing pressure and see our fluid level decrease. In 12 swab runs we recovered 200 Bbls and had a final fluid level of 5800 ft. Well kicked gas a few times but wouldn't sustain.

Today we continue swabbing.

Thursday, 10/21/2010
All,

Yesterday there was 1400 psi on the casing and 0 psi on the tubing. The first fluid level had dropped to 1500 ft, and we made 13 swab runs recovering 210 bbls and drew the final casing pressure down to 400 psi. There were three good gas kicks, but they died each time.

Today we continue swabbing well on.

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Wednesday 10/20/2010
All,

Yesterday there was 1400 psi casing and 0 psi on the tubing. We continued swabbing the well, first fluid level was seen at 800 ft, made 11 swab runs and recovered 198 bbls with final fluid level seen at 1500 ft. In the last two days we have swabbed a total of 250 bbls, which exceeds the 150 bbls pumped during cleanout and we should be around 100% frac load recovered.

Today we continue swabbing to try and kickoff gas flow.

Tuesday, 10/19/2010
All,

Yesterday there was 0 psi on the tubing and 1200 psi on the casing. MIRU swab unit, 6 runs made, 52 Bbls fluid recovered. Well blows but dies down after swab runs.

Today we continue swabbing on well to kickoff gas flow.

All,

I think we've given the sego a valiant try in sec 15. I'm suggesting we forego the frac on the sego on the 5-15 and move uphole. Just my opinion.

Mike Mullen

Monday, 10/18/2010
All,

Yesterday continued flowing well to facilities.

This morning there is 0 psi on the tubing so today we may decide to rig up on the well and start swabbing. Due to weather conditions it may be beneficial to keep the rig on this location anyways.

Sunday 10/17/2010
All,

Yesterday the well continued flowing to facilities, unloading workover fluids.

Saturday, 10/16/2010
All,

Yesterday we drilled through the plug at 7350 ft and cleaned out the wellbore down to PBTD of 7650 ft (tagged fill at 7550 ft). We performed rig work incorporating a foam unit to keep the hydrostatic and

invasion off of the Sego perfs. ND BOP, NU production tree. Pumped off bit, hung tubing off at 7363 ft with 400 psi on backside. Well flowing back foam.

Today we continue monitoring the well clean itself up and attempt to kickoff gas flow. Currently there is 1000 psi on the backside built up and the well is still flowing back foam and water.

Friday, 10/15/2010
All,

Yesterday we MIRU E-line, round tripped a gauge ring and junk basket tagging fill at 7528 ft (65 ft below bottom perf). Out with GR/JB, PU composite plug and set at 7350 ft. RDMO E-line. Start in with tubing and bit, tagged plug. Wait to drill in AM.

Today we drill through plug utilizing a foam unit and then clean sand fill to PBTD. TOOH to 1.5 joints above top perf and hang off tubing. Begin swabbing well back in if necessary.

Thursday, 10/14/2010
All,

Yesterday we MIRU workover rig, eqpt, and rigged up power swivel. We continued to flow the well to facilities waiting on e-line.

Today MIRU e-line, roundtrip gauge ring/ junk basket, tag fill, run in hole with composite plug and set, NU BOP's, and start in hole with tubing and mill.

Wednesday, 10/13/2010
All,

Well continues flowing.

Today we MIRU workover rig, wait on e-line, and continue to flow well to facilities.

Tuesday, 10/12/2010
All,

Well flowing

Today. Continue flowing, possibly MIRU workover rig. Attempting to line up foam unit.

Monday, 10/11/2010
All,

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Today the well continued flowing through facilities and we received a water sample analysis. The first 3 samples are from the 10-15 swabbing and the final sample if flowback from the 7-9.

Tomorrow we continue allowing the well to flow.

Sunday 10/10/2010
All,

Yesterday we continued flowing the well and chaged orifice plats in the sales and surface meters.

Today we continue flowing the well.

Saturday 10/9/2010
All,

Yesterday the flow testers rigged down and all flow was diverted to surface facilities. Final flowback report attached. Continued allowing well to flow to facilities.

Flow test totals:

735 Mcf gas
21 Bbls oil – Most transferred to production tanks, irreducible in flat tank drained to pit
1621 Bbls water (68% of frac load)

Today we continue allowing well to flow to facilities.

Friday, 10/8/2010
All,

Yesterday we continued flowing back the well. Gas flow continued to sales. Yesterday we sold 126 Mcf of gas in the 24 hour period 6AM-6AM. We have recovered 1612 bbls water, or 68% of the frac load and continue to produce at 180 psi casing pressure on the 24 choke. We also produced more oil yesterday, another 8 bbls, totaling 30 bbls of oil produced. Fluid samples have been pulled.

Today we RDMO flow testers and divert all flow to surface facilities.

Thursday, 10/7/2010
All,

Yesterday we continued flowing back the well. Gas flow was diverted to the sales line at 830AM MST and we had our first gas sales from this well! Yesterday we sold ~117 Mcf of gas between 830 AM and 600 AM this morning. We have recovered 1495 bbls water, or 63% of the frac load and continue to

produce at 200 psi casing pressure on the 24 choke. We also produced more oil yesterday, another 7 bbls, totaling 12 bbls of oil produced.

Today we will allow the well to send fluids to the test separator for one final day, and then release the flowback crew tomorrow. All flow will be diverted to the surface facilities on location and water samples as well as oil samples will be taken for analysis.

Wednesday, 10/6/2010
All,

Yesterday we continued flowing back the well. We have recovered 1367 bbls water, or 57% of the frac load and continue to produce ~130-150 Mcf/day (464 Mcf total flared) at 225 psi casing pressure on the 24 choke. We also produced more oil yesterday, another 3 bbls, totaling 5 bbls of oil produced. Our salinity continues to increase indicating we are getting more formation fluid.

Today we will continue flowing back the well attempting to plumb as into the sales line but continuing fluids through the well testers. If the well can buck line pressure and keep flowing strong then we will turn fluids over to surface facilities as well and RDMO flow testers.

Tuesday, 10/5/2010
All,

Yesterday we continued flowing back the well. We have recovered 1209 bbls of fluid, or 51% of the load, and continue to produce ~150 Mcf/day (321 Mcf total flared) at 170 psi casing pressure on a size 24 choke. We also saw some condensate break through and we have recovered 2 bbls of oil.

Today we continue flowing back the well. (This morning flare pics attached. Also, report number 11 attached, accidently send 10 yesterday).

Monday, 10/4/2010
All,

Yesterday we continued flowing back the well with great results. We continue to maintain 165 psi casing pressure on a size 24 choke (started on a size 12), flowing back ~10 bp, with gas rates in excess of 140 Mcf/day. There was a 2-hr period in the last 24 hours where we maintained a gas rate of 212 Mcf/day. Cumulative totals after 40 hours of testing: 173 mcf gas, 1020 bbls water (43% of frac load).

Today we continue flowing back the well (Pics of gas flare attached).

Sunday, 10/3/2010
All,

Yesterday we frac'd the Sego formation and turned the well over to flowback. The choke was changed to up to a size 24 over PM, wellhead pressure down to 340 psi, and we have flowed back 649 bbls water. At

5:30 this morning we had gas in returns and diverted flow through the test separator and lit the flare! Pics attached of the flare stack on location – First gas production!. At 6AM this morning we were producing at an equivalent rate of 156 MCF/day.

Today we continue flowing back the well, measuring and flaring gas. There will be another flowback report to send out this evening.

Saturday, 10/2/2010

We finished pumping the Sego frac ~1100 AM this morning. This job seemed to treat better than the Sego frac on the 10-15 well. We saw a significant formation breakdown at ~5400 psi to 2700 psi (as expected since there was no DFIT), slowly pumped the acid across the perfs and saw some pressure response (decline). The rate was brought up to ~50 bpm, the nolte plot first indicated height growth before maintaining good extension throughout the rest of the job (incorporating some noise in the data of course). Treating pressure followed inverse hydrostatic until the tail end when we started seeing some net pressure effects and possibly a little more height growth -- my interpretation. The opening wellhead pressure at the start of the job was 748 psi and the ISIP was 2794 psi. On the 10-15 the ISIP was 2727. The 15 minute pressure was 419 psi compared to 562 psi on the 10-15 (perhaps a little tighter). FG = 0.82, avg Pressure = 4694 psi, max pressure = 5566 psi, total fluid = 99,858 gallons, total proppant = 66,700 lbs.

I would say the job was highly successful and I think we put a slightly better frac on this well than we did on the 10-15 (formation dictated). The flow testers will send out 12 hour reports on this well, which I will distribute. The 10-15 well continues to flow ~50 psi on a size 24 choke (I expect this will die soon). Once it dies we will shut the well in, remove the choke and attempt to free flow any remaining wellhead pressure. We are starting the 7-9 on a size 12 choke and it is flowing back ~1 bpm frac water.

Post Jobs attached with executive summaries for both wells. (Note: CD's with the executive summary were provided by HES immediately after the frac today. The ISIP for the 7-9 was entered incorrectly, the executive summary states that 3794 psi, but it was a simple typo and is supposed to be 2794. Obviously this also effects the Frac Gradient calculation. I have fixed it on the file I attached so please save this copy.)

Attached is the flowback report for the Thurston 7-9 well. Another will be sent out in the AM. Load left to recover is not calculated because we failed to make the flowback crew aware of the volume pumped. It will be correct on the morning report.

All,

Yesterday we ran in with a gauge ring and junk basket (minimum best practice before running a plug) and saw no obstruction down to 7750 (100 ft below plug depth). TOOH with GR/JB, rehead tools with 10K cast iron bridge plug and baker 20 setting tool. Two correlation strips ran, plug set at 7650 ft (68 seconds to set—slow burning charges good). TOOH with setting tool, make up 3-3/8" guns, 3 spf, 120 degree phasing. Correlated with guns in two strips and perforated the Sego formation from 7460 – 7463, 7440 – 7443, and 7420 – 7423 ft. TOOH with spent guns, all shots fired. Normally, we would have dumped bailed cement on top of the plug before perforating but tools had to be hotshot from Grand Junction since we were dumping under pressure. Tools arrived, filled dump bailer with one sack of cement, TIH to tag CIBP and reciprocate e-line to ensure cement is dumped. TOOH with dump bailer, lay

down tools, lay down lubricator, RDMO e-line. During e-line operations flow testers moved in and started rigging up their facilities and iron and sand haulers began filling mountain mover with 30/50 sand.

Today we install the wellhead isolation tool, finish MIRU flow testers, MIRU frac eqpt, pressure test all lines and then frac the Sego formation with ~94K gallons of 3% KCl with HPT-1 polymer (relative perm modifier) and ~60K lbs of 30/50 sand. RDMO wellhead isolation tool and frac, open well up to flow testers and flowback.

Friday, 10-1-2010
And of course that last set of perfs shout be 7460 – 7463. I'll get right eventually. My mistake.

All the noted depths below are 1000 ft lower than they are supposed to be. My mistake. The plug depths is 7650 ft and the perf depths are 7420 – 7423, 7440 – 7443, and 7640 – 7643. The field understands the correct depths, in fact, it was the Wellsite supervisor (Neil) who made me aware of my typo's. Thanks.

All,

Yesterday we removed the EMR gauges for analysis and rigged down the wellhead isolation tool. The DFIT data came back and showed immeasurable permeability (low), very high process zone stress indicating fracture difficulty and possibly poor production potential, and a high fracture gradient at 1.17 psi/ft. Although there is some reservoir pressure, the decision was made to forego a Castle Gate frac for the time being and move up to the Sego that showed a good DFIT on the 10-15.

Today we will rig up e-line to run in and set a CIBP at ~6650 (about 100 ft above current perfs and 200 ft below tentative Sego perfs), dump bail one sack of cement on top, and then perforate the Sego formation from 6420 – 6423, 6440 – 6443, and 6460 – 6463. If time and personnel permit then we will begin rigging up wellhead isolation tool and pumping eqpt for the frac scheduled for tomorrow morning.

Thursday 9-30-2010
All,

Yesterday we rigged up the wellhead isolation tool and spotted pumping eqpt to pump a DFIT on the Castle Gate formation. After pressure testing lines and putting 1000 psi backside pressure we pumped the DFIT seeing a formation breakdown at 5880 psi that never broke back, pressure went sideways around 5800 psi. ISIP was 5690 psi and 60 minutes pressure was 3636 psi. EMR gauges left on well overnight for pressure data.

Today we remove EMR gauges and rig down the wellhead isolation tool to move to the 10-15. The pressure data will be sent to HES tech team ASAP and analyzed to assess the potential of the Castle Gate zone.

Wednesday 9-29-2010
All,

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Again I acknowledge that the numbering of the reports is still funny and I will work on getting this issue resolved once the fracs are complete and operations have eased up a bit. Yesterday we waited on Stinger's wellhead isolation tool to pump DFIT while finishing up facilities. The well had 2125 psi on it.

Today we already have Stinger on location and are currently rigging up there isolation tool to the wellhead/frac valve. We have pumping eqpt on location and will soon begin pumping the DFIT. Max pressure on the backside is 1700 psi and max pressure on the 5.5" casing is 8200 psi. It should not take this much pressure to break the formation down. We will leave the well shut in for a 24 hour period and pull the gauges tomorrow morning for pressure transient analysis.

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API Well No: 43047406250000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: U-5217

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER: THURSTON 7-9-9-24

2. NAME OF OPERATOR: THURSTON ENERGY OPERATING

9. API NUMBER: 43047406250000

3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078
PHONE NUMBER: 214 704-3896 Ext

9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2056 FNL 2061 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

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☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
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Thurston 7-9-9-24 status changed to shutin effective October 22, 2010

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
12/1/2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Russell H. Cox	435 789-8580	Operations Manager
SIGNATURE N/A		**DATE** 12/1/2010

RECEIVED December 01, 2010

API Well No: 43047406250000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 10/7/2010	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	✓ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Date of first production for the Thurston 7-9-9-24 is October 7, 2010

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
12/02/2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Russell H. Cox	435 789-8580	Operations Manager
SIGNATURE		**DATE**
N/A		12/1/2010

RECEIVED December 01, 2010

CONFIDENTIAL

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

RECEIVED
DEC 08 2010
DIV. OF OIL, GAS & MINING

AMENDED REPORT ☐ (highlight changes)

FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: U-5217

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ DRY ☐ OTHER

7. UNIT or CA AGREEMENT NAME:

b. TYPE OF WORK: NEW WELL ☐ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: Thurston 7-9-9-24

2. NAME OF OPERATOR: Thurston Energy Operating Company

9. API NUMBER: 4304740625

3. ADDRESS OF OPERATOR: 365 W. 50 N Ste W-8 CITY Vernal STATE UT ZIP 84078

PHONE NUMBER: (435) 789-8580

10 FIELD AND POOL, OR WILDCAT: Devil's Playground

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 2056' FNL 2061 FEL SWNE Sec9, T9S, R24
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH: same

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 9 T9S R24

12. COUNTY: Uintah

13. STATE: UTAH

14. DATE SPUDDED: 8/29/2010

15. DATE T.D. REACHED: 9/16/2010

16. DATE COMPLETED: 9/20/2010 ABANDONED ☐ READY TO PRODUCE ☑

17. ELEVATIONS (DF, RKB, RT, GL): KB 5,216

18. TOTAL DEPTH: MD 8,000 TVD 8,000

19. PLUG BACK T.D.: MD TVD 7,650

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE PLUG SET: MD 7,390 TVD 7,390

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
SD, DSN, ACTR, CBL, MRIAN, Mud

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4"	5 5/8" J55	24		2,006		PremV 250	170	CIR	
						PremG 300	62	CIR	
7 7/8"	5 1/2" N80	17		7,999		PremV 200	93	CAL	
						PremG 1,180	263	CAL	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Castle Gate				
(B) Sego				
(C) Neslen				
(D) NWRD				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)		SIZE	NO. HOLES	PERFORATION STATUS
7,783	7,793	1	30	Open ☑ Squeezed ☐
7,420	7,363	1	27	Open ☑ Squeezed ☐
6,887	7,224	1	63	Open ☑ Squeezed ☐
				Open ☐ Squeezed ☐

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
7423-7460	Slick water 500 gals acid 66700# sand 99858 total fluid

29. ENCLOSED ATTACHMENTS:

☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☐ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: SI

(5/2000)

(CONTINUED ON BACK)

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
10/7/2010		10/7/2010		20			0	47	25	
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Russell Cox TITLE Operations Manager

SIGNATURE DATE 12/1/2010

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)

API Well No: 43047406250000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: U-5217

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
THURSTON 7-9-9-24

2. NAME OF OPERATOR:
THURSTON ENERGY OPERATING

9. API NUMBER:
43047406250000

3. ADDRESS OF OPERATOR:
365 W. 50 N. Ste W-8 , Vernal, UT, 84078

PHONE NUMBER:
214 704-3896 Ext

9. FIELD and POOL or WILDCAT:
DEVILS PLAYGROUND

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
2056 FNL 2061 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 10/7/2010	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	✓ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Thurston 7-9-9-24 well first date of production is Octoiber 7, 2010. Please change status to producing effective this date.

Accepted by the Utah Division of Oil, Gas and Mining

FOR RECORD ONLY

12/15/2010

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Russell H. Cox	435 789-8580	Operations Manager
SIGNATURE		**DATE**
N/A		12/15/2010

RECEIVED December 15, 2010

API Well No: 43047406250000

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: U-5217

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
THURSTON 7-9-9-24

2. NAME OF OPERATOR:
THURSTON ENERGY OPERATING

9. API NUMBER:
43047406250000

3. ADDRESS OF OPERATOR:
365 W. 50 N. Ste W-8 , Vernal, UT, 84078

PHONE NUMBER:
214 704-3896 Ext

9. FIELD and POOL or WILDCAT:
DEVILS PLAYGROUND

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
2056 FNL 2061 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 10/22/2010	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	✓ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Thurston 7-9-9-24 status change from producing to shut-in effective October 22, 2010

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY
01/04/2011

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Russell H. Cox	435 789-8580	Operations Manager
SIGNATURE		**DATE**
N/A		12/29/2010

RECEIVED December 29, 2010

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5.LEASE DESIGNATION AND SERIAL NUMBER: U-5217

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL Gas Well

8. WELL NAME and NUMBER: THURSTON 7-9-9-24

2. NAME OF OPERATOR: THURSTON ENERGY OPERATING

9. API NUMBER: 43047406250000

3. ADDRESS OF OPERATOR: 365 W. 50 N. Ste W-8 , Vernal, UT, 84078

PHONE NUMBER: 214 704-3896 Ext

9. FIELD and POOL or WILDCAT: DEVILS PLAYGROUND

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 2056 FNL 2061 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY: UINTAH

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 11/8/2010	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
☐ SPUD REPORT Date of Spud:	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
☐ DRILLING REPORT Report Date:	☐ DEEPEN	✓ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that we have perforated the Thurston 7-9-9-24 in the following zones 7037' - 7040' 7093' - 7096' 7176' - 7179' Neslen perfs 7420' - 7423' 7440' - 7443 7460' - 7463' Sego perfs PBTD 7650' Well continues to be in a shut-in status due to excessive water production.

Accepted by the Utah Division of Oil, Gas and Mining

FOR RECORD ONLY

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Patti Cox	435 789-8580	Operations Manager
SIGNATURE N/A		**DATE** 6/10/2011

RECEIVED Jun. 10, 2011

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: U-5217

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Gas Well

8. WELL NAME and NUMBER:
THURSTON 7-9-9-24

2. NAME OF OPERATOR:
THURSTON ENERGY OPERATING

9. API NUMBER:
43047406250000

3. ADDRESS OF OPERATOR:
365 W. 50 N. Ste W-8 , Vernal, UT, 84078

PHONE NUMBER:
214 704-3896 Ext

9. FIELD and POOL or WILDCAT:
DEVILS PLAYGROUND

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
2056 FNL 2061 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
✓ SUBSEQUENT REPORT Date of Work Completion: 6/3/2011	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	✓ CHANGE WELL NAME
	☐ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
☐ SPUD REPORT Date of Spud:	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	✓ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
☐ DRILLING REPORT Report Date:	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that Thurston Energy Operating Company requests the following changes in this well: Name change to Thurston 7-9-9-24 GR Change well type toan Oil Well Additional changes to the well are, we set a CIBP at 6,787' to close off lower perferations which were producing excessive volume of water and making well uneconomonical to produce. New perfs were shot at 3881' - 3896' with 4 shots per foot. Seat nipple at 3975' and EOT @ 3982'. We will be producing Green Rive oil from this well. Current well status is shut-in waiting for equipment installation to start production. That will be in the next few days.

Accepted by the Utah Division of Oil, Gas and Mining

FOR RECORD ONLY

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Patti Cox	435 789-8580	Operations Manager
SIGNATURE		**DATE**
N/A		6/10/2011

RECEIVED Jun. 10, 2011

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

FORM 9

5.LEASE DESIGNATION AND SERIAL NUMBER: U-5217

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7.UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL
Oil Well

8. WELL NAME and NUMBER:
THURSTON 7-9-9-24 GR

2. NAME OF OPERATOR:
THURSTON ENERGY OPERATING

9. API NUMBER:
43047406250000

3. ADDRESS OF OPERATOR:
365 W. 50 N. Ste W-8 , Vernal, UT, 84078

PHONE NUMBER:
214 704-3896 Ext

9. FIELD and POOL or WILDCAT:
DEVILS PLAYGROUND

4. LOCATION OF WELL
FOOTAGES AT SURFACE:
2056 FNL 2061 FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
Qtr/Qtr: SWNE Section: 09 Township: 09.0S Range: 24.0E Meridian: S

COUNTY:
UINTAH

STATE:
UTAH

11.
CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
☐ NOTICE OF INTENT Approximate date work will start:	☐ ACIDIZE	☐ ALTER CASING	☐ CASING REPAIR
	☐ CHANGE TO PREVIOUS PLANS	☐ CHANGE TUBING	☐ CHANGE WELL NAME
✓ SUBSEQUENT REPORT Date of Work Completion: 5/24/2011	✓ CHANGE WELL STATUS	☐ COMMINGLE PRODUCING FORMATIONS	☐ CONVERT WELL TYPE
	☐ DEEPEN	☐ FRACTURE TREAT	☐ NEW CONSTRUCTION
	☐ OPERATOR CHANGE	☐ PLUG AND ABANDON	☐ PLUG BACK
☐ SPUD REPORT Date of Spud:	☐ PRODUCTION START OR RESUME	☐ RECLAMATION OF WELL SITE	☐ RECOMPLETE DIFFERENT FORMATION
	☐ REPERFORATE CURRENT FORMATION	☐ SIDETRACK TO REPAIR WELL	☐ TEMPORARY ABANDON
	☐ TUBING REPAIR	☐ VENT OR FLARE	☐ WATER DISPOSAL
☐ DRILLING REPORT Report Date:	☐ WATER SHUTOFF	☐ SI TA STATUS EXTENSION	☐ APD EXTENSION
	☐ WILDCAT WELL DETERMINATION	☐ OTHER	OTHER:

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Please be advised that the Thurston 7-9-9-24 well has resumed production status effective 05/24/2011.

Accepted by the Utah Division of Oil, Gas and Mining
FOR RECORD ONLY

NAME (PLEASE PRINT)	PHONE NUMBER	TITLE
Patti Cox	435 789-8580	Operations Manager
SIGNATURE		**DATE**
N/A		6/15/2011

RECEIVED Jun. 15, 2011

C

FORM 6

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

RECEIVED
JUN 16 2011
DIV. OF OIL, GAS & MINING

ENTITY ACTION FORM

Operator: Thurston Energy Operating Company
Operator Account Number: N 2790
Address: 365 W. 50 N Suite W-8
city Vernal
state UT zip 84078
Phone Number: (435) 789-8580

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304740625	Thurston 7-9-9-24 GR		SWNE	9	9S	24E	Uintah
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	
E	17771	17771				6/3/2011	

Comments: Change well to an oil well from a gas well and change producing formation to the GRRV from the MVRD
GRRV
6/22/11

CONFIDENTIAL

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	**Current Entity Number**	**New Entity Number**	**Spud Date**			**Entity Assignment Effective Date**	

Comments:

ACTION CODES:

- **A** - Establish new entity for new well (single well only)
- **B** - Add new well to existing entity (group or unit well)
- **C** - Re-assign well from one existing entity to another existing entity
- **D** - Re-assign well from one existing entity to a new entity
- **E** - Other (Explain in 'comments' section)

Patti A Cox
Name (Please Print)
Patti A Cox
Signature
Business Mgr
Title
6-14-11
Date

(5/2000)

Division of Oil, Gas and Mining
Operator Change/Name Change Worksheet-for State use only

Effective Date: 9/10/2014

FORMER OPERATOR:	NEW OPERATOR:
Thurston Energy Operating Company P.O. Box 1667 Vernal, UT 84078	Shiny One Operating Company, LLC P.O. Box 1667 Vernal, UT 84078
CA Number(s):	Unit(s):

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See attached list									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 12/10/2014
2. Sundry or legal documentation was received from the **NEW** operator on: 12/10/2015
3. New operator Division of Corporations Business Number: 5917957-0161

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 1/4/2015
4. OPS/SI/TA well(s) reviewed for full cost bonding: 1/4/2015
5. UIC5 on all disposal/injection/storage well(s) approved on: N/A
6. Surface Facility(s) included in operator change: N/A
7. Inspections of PA state/fee well sites complete on (only upon operators request): N/A

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000181
2. Indian well(s) covered by Bond Number:
3. State/fee well(s) covered by Bond Number(s): 579-146262-4, 579-146263-2, 579-146264-0, 579-146265-7

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 1/4/2015
2. Entity Number(s) updated in **OGIS** on: 1/4/2015
3. Unit(s) operator number update in **OGIS** on: N/A
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 1/4/2015
6. Surface Facilities update in **RBDMS** on: N/A

LEASE INTEREST OWNER NOTIFICATION:

1. The **NEW** operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 1/4/2015

COMMENTS:

From: Thurston Energy Operating N2790
To: Shiny One Operating Company, LLC N4185

Effective 10 September 2014

Well Name	Section	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
RED WASH FED 1-18	18	090S	240E	4304730124	6200	Federal	Federal	GW	P
DEVILS PLAYGROUND 41-9	9	090S	240E	4304730339	6195	Federal	Federal	OW	P
DIRTY DEVIL FEDERAL 23-20	20	090S	240E	4304731009	10698	Federal	Federal	GW	P
DIRTY DEVIL 22X-27	27	090S	240E	4304734825	15109	Federal	Federal	GW	P
THURSTON 7-9-9-24 GR	9	090S	240E	4304740625	17771	Federal	Federal	OW	P
THURSTON 10-15-9-24	15	090S	240E	4304740626	17773	State	Federal	GW	P
THURSTON 12-29-9-24	29	090S	240E	4304740628	18119	State	Federal	GW	P
THURSTON 8-9-9-24	9	090S	240E	4304751428	18135	Federal	Federal	OW	P
DEVILS PLAYGROUND 23-17	17	090S	240E	4304730568	6136	Federal	Federal	GW	S
DIRTY DEVIL UNIT 11-29	29	090S	240E	4304731617	9586	State	Fee	GW	S
THURSTON 5-15-9-24	15	090S	240E	4304740627	17772	State	Federal	GW	S

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "THURSTON ENERGY OPERATING COMPANY, LLC", CHANGING ITS NAME FROM "THURSTON ENERGY OPERATING COMPANY, LLC" TO "SHINY ONE OPERATING COMPANY, LLC", FILED IN THIS OFFICE ON THE TWENTY-FIRST DAY OF AUGUST, A.D. 2014, AT 3:24 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF AMENDMENT IS THE TENTH DAY OF SEPTEMBER, A.D. 2014.

Jeffrey W. Bullock, Secretary of State

3972888 8100

AUTHENTICATION: 1824738

141350778

DATE: 10-30-14

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:24 PM 08/21/2014
FILED 03:24 PM 08/21/2014
SRV 141097114 - 3972888 FILE

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT

1. Name of Limited Liability Company: Thurston Energy Operating Company, LLC

2. The Certificate of Formation of the limited liability company is hereby amended as follows:

The name of Thurston Energy Operating Company, LLC shall be changed to Shiny One Operating Company, LLC, to be effective September 10, 2014.

IN WITNESS WHEREOF, the undersigned have executed this Certificate on the 20 day of August, A.D. 2014.

By: Crystal Meeks
Authorized Person(s)

Name: Crystal Meeks - Manager
Print or Type

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL [X] GAS WELL [ ] OTHER

8. WELL NAME and NUMBER: Thurston 7-9-9-24

2. NAME OF OPERATOR: Ultra One Operating Company, LLC

9. API NUMBER: 4-305E+09

3. ADDRESS OF OPERATOR: CITY Vernal STATE UT ZIP 84078 PHONE NUMBER: 435-789-8590

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Uintah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 09-090S-240E-17771-Federal

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
[ ] NOTICE OF INTENT (Submit in Duplicate)	[ ] ACIDIZE	[ ] DEEPEN	[ ] REPERFORATE CURRENT FORMATION
Approximate date work will start:	[ ] ALTER CASING	[ ] FRACTURE TREAT	[ ] SIDETRACK TO REPAIR WELL
	[ ] CASING REPAIR	[ ] NEW CONSTRUCTION	[ ] TEMPORARILY ABANDON
	[ ] CHANGE TO PREVIOUS PLANS	[X] OPERATOR CHANGE	[ ] TUBING REPAIR
	[ ] CHANGE TUBING	[ ] PLUG AND ABANDON	[ ] VENT OR FLARE
[ ] SUBSEQUENT REPORT (Submit Original Form Only)	[ ] CHANGE WELL NAME	[ ] PLUG BACK	[ ] WATER DISPOSAL
Date of work completion:	[ ] CHANGE WELL STATUS	[ ] PRODUCTION (START/RESUME)	[ ] WATER SHUT-OFF
	[ ] COMMINGLE PRODUCING FORMATIONS	[ ] RECLAMATION OF WELL SITE	[ ] OTHER:
	[ ] CONVERT WELL TYPE	[ ] RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

effective 9-10-14

Thurston energy operating company shall be known as ~~Ultra~~ One Operating Company, LLC.

RECEIVED
DEC 1 2014
Div. of Oil, Gas & Mining

NAME (PLEASE PRINT) Crystal Meeks TITLE Assistant Manager

SIGNATURE Crystal Meeks DATE 12-8-14

(This space for State use only)

APPROVED

JAN 04 2016

DIV. OIL GAS & MINING

BY: Rachel Medina

(5/2000) (See Instructions on Reverse Side)